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ABSTRACT

A study regarding the implementation of the Comprehensive Employment and Training Act (CETA) in four eastern Massachusetts prime sponsor areas (Cambridge, Lowell, New Bedford, and the Balance of State) was done to (1) examine the impact of the decisions made during the implementation of CETA on manpower services and institutions, program participants, and others in the community, and (2) compare manpower programs under CETA with pre-CETA centralized and categorized programs, where possible. Generalized impressions and facts gleaned from a series of prime sponsor field studies carried out over a three-year period were summarized. The primary focus of the summaries was on the issues and impacts of CETA implementation that crossed geographic areas. Several conclusions follow: (1) Administrative difficulties have occurred in most of the prime sponsors, although some problems have been worked out by the third year, (2) the involvement of elected officials in planning and implementing training programs tended to be stronger in the smaller cities than in the larger ones, (3) coordination of other non-CETA employment and training programs with those funded under CETA has yet to come to fruition, and (4) the national funding formula handicaps the larger cities at the expense of suburban areas with lesser needs. (This report concludes with eleven recommendations for improvements in CETA.) (EM)

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CETA In Eastern Massachusetts

Final Report

By

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November, 1977

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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16. Abstracts
This study covers the experience with the implementation of the Comprehensive Employment and Training Act of 1973 in four major prime sponsors in Eastern Massachusetts: Cambridge, Lowell, New Bedford (with their surrounding cities and towns in the three consortia) and the "Balance of State". (Boston is the subject of a separate report in this volume). Comparisons are made with pre-CETA centralized and categorized programs, where possible. The study covers the economic factors involved, the methodology used, the administration of CETA, planning and use of local planning councils, funding formulas and program choices, and prime sponsor performance and clients. The public service component of CETA is also evaluated, and recommendations are made for improvements in CETA.

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Preface

How CETA has worked in a number of cities and consortia -- the Prime Sponsors -- in Eastern Massachusetts is the purpose of the two reports which constitute this volume. The first report, covering Cambridge, Lowell, New Bedford and the huge prime sponsor called "the Balance of State" with headquarters in Boston, was done by two faculty members affiliated with the Industrial Relations Section at the Alfred P. Sloan School of Management at M.I.T., based on field studies by thirteen graduate students over three years from September 1974 through June 1977.

The second report on CETA in the City of Boston, the largest urban Prime Sponsor in Massachusetts, was done over a two-year period with research assistants by the authors of the report, two of whom are faculty members of the Department of Economics, at Northeastern University in Boston. They had also completed earlier studies in Boston, and built on this background for their research, which was done under a subcontract to M.I.T.

Both reports would not have been possible without the cooperation of staff members of the Prime Sponsors studied, too numerous to mention by name and whose anonymity should be protected in any case. Regional Department of Labor (Employment and Training Administration) staff and the State Manpower Services Council staff were also helpful. And without the support of the Office of Research and Development of the Employment and Training Administration in Washington in providing funds for the research, these studied could not have been made. We are particularly indebted to Dr. Howard Rosen, Director of ORD, and his associates, especially Richard F. McAllister.

Finally, readers will note that the authors of the two reports have organized them somewhat differently, as is appropriate for one study which covers a number of prime sponsors, and another which covers the City of Boston. An additional explanation is the academic principle, as well as the caveat on the title page, that puts full responsibility on the authors for the organization and writing of their respective reports, after all comments and suggestions for change have been considered.

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OVERVIEW

Principal Findings and Conclusions (discussed more fully in Chapter VII).

1. This study reports on the results of three years of field research on the implementation and impact of CETA in Eastern Massachusetts, with comparisons with prior programs when data were available. Apart from the City of Boston, which was studied under a subcontract from MIT to Northeastern University (the subject of a separate report), the Prime Sponsors (or consortia) studied were: Cambridge, Lowell, New Bedford, and the Balance of State with 18 subgrantees, (including the Newton and Quincy areas which we also studied).

2. Comparisons with pre-CETA programs and also comparisons between Prime Sponsors over the three-year period were subject to external environmental factors, including the worsening state of the Massachusetts economy relative to the national economy, and the very high rates of unemployment in New Bedford and Lowell, especially, at the peak of the recession.

3. Administrative difficulties have occurred in most of the Prime Sponsors during the three-year period of study, although some problems have been worked out by the third year. One exception was Lowell, often mentioned as a model prime sponsor, in which the CETA director (active in the field since 1973) has had the respect of the city council, the manpower planning council, and the program operators from the first year of CETA.

4. There have been wide variations in the relationships between the Prime Sponsors and the Regional Office of the Department of Labor (Employment and Training Administration) with its field representatives. Most Prime Sponsors agreed on the necessity and appropriateness of the RDOL review of Title I plans, but considered anything further as invading what they considered as their areas of responsibility under CETA. Prime Sponsors also had problems with some field representatives.

5. The involvement of elected officials in planning and implementing training programs tended to be stronger in the smaller cities studied and less in the larger ones. However, with the increase in funds for Public Service Employment, the interest of elected officials increased as they saw an opportunity to get funds for maintenance of public services and

employment as city budgets were squeezed.

6. Coordination of other non-CETA employment and training programs with those funded under CETA has yet to come to fruition. Some do not share the same planning and service boundaries and have different submission dates for yearly plans.

7. The local manpower planning councils varied considerably in their usefulness and attendance records of members. Despite improvements after initial difficulties, these councils will not be very effective if the plan and policy reviews they make are not given much weight by the Prime Sponsor staff or governing boards. They often lack an independent staff person to assist them in their deliberations.

8. The CETA concept is to provide Prime Sponsors with wide programmatic latitude in adjusting their programs to best fit the needs in their areas, in their judgment. But the national funding formula handicaps the larger cities at the expense of suburban areas with lesser needs, as we saw in the two subgrantee areas, contrasted with Cambridge, Lowell, and New Bedford, and also with Boston (as reported in the Northeastern study). There were changes in the program mix over the three-year period, but not substantial ones. Those which did occur may have been the result of better administration and time to adjust, real or perceived changes in the labor market or in clients' needs, and changes in the funding mix.

9. Limitations of the short-term performance indicators used by the RDOL in its monitoring of Prime Sponsor performance include the "cost per placement" figure which makes no distinction between the Prime Sponsor which "creams" clients for training programs and the one which is serving the most disadvantaged. Data on client characteristics are better. These show that the Massachusetts Prime Sponsors studied had a greater concentration of "disadvantaged" than in the national figures for FY76, and that those with a higher percentage of minorities in the population are serving these groups in larger percentages compared with the national data.

10. Minority agency perceptions of CETA in Boston are somewhat ambivalent. Contracting with the Boston Manpower office is simpler than in the pre-CETA days, but the reduction of Title I funds has meant that these agencies scramble to maintain their share of a smaller pie. They feel that

the disadvantaged minority applicants lose out relative to better-trained unemployed whites in the public service employment jobs available under the larger funds in Titles II and VI. These conclusions grow out of a special study we did in Boston, apart from the main Boston study.

11. Separate statistical analyses of changes in hourly wages under pre-CETA programs with those under CETA show that the latter were greater percentagewise, enrolled a higher proportion of economically-disadvantaged persons, welfare recipients, unemployment insurance recipients, and low-income persons. A further analysis of disaggregated data for each period in Lowell and New Bedford (separately) showed that Lowell pre-CETA participants would have performed better in percentage wage gains under CETA programs, and that post-CETA participants would have fared worse under pre-CETA programs. The New Bedford analysis did not show such clear cut results, but did indicate that post-CETA participants would have taken a relative wage loss in the pre-CETA period.

Recommendations

1. The yearly rating of Prime Sponsors by the RDOL is often disputed by them, gets media publicity, and is not useful unless a Prime Sponsor can be de-designated. This would hurt CETA clients most.

2. The federal role in relation to the local Prime Sponsors needs to be clarified; it seems sometimes to be what the RDOL or its field representatives feel their responsibility should be. At the very least the "policing" and technical assistance roles should be functionally separated.

3. Field representatives need to be carefully selected and trained, since they are the most important link between the regional federal level and the local level in CETA. They have in some cases been part of the trouble rather than contributing to a solution of federal-local relationships.

4. Serious consideration should be given to the separation of PSE programs from the training programs funded under Titles I and II. Either the RDOL's might run the PSE programs directly, or maintain a hands-off revenue-sharing policy subject to some monitoring on broad objectives.

5. Attention should be given to consolidating or eliminating some of the paperwork required of Prime Sponsors. There is general agreement that

these requirements are excessive. Many of the reports required could be incorporated into the regular audit by the RDOL.

6. Definitions of target groups and "disadvantaged persons" should be clarified, as should measures of program accomplishments and placements. Limitations of the quantitative performance indicators used by the RDOL in the past to rate each Prime Sponsor indicate the importance of standardizing and simplifying these indicators. We applaud the effort by the RDOL in New England to develop a new set of indicators which may overcome these limitations.

7. In order to make the local Manpower Planning Councils more effective as advisory groups, they should have some Title I funds or other funds to hire their own staff and clerical help. RDOL training sessions should be provided for MPC members, with possible financial incentives for attending on their own time. An MPC report on the proposed FY plan might be required prior to submission of the plan by the Prime Sponsor to the RDOL.

8. Local labor market information should be collected for the use of present Prime Sponsors in their own geographical boundaries, particularly about employers and job openings in those areas.

9. The present funding formula which benefits the suburban areas of large cities, especially Boston, raises equity questions about meeting the greater needs of central-city disadvantaged poor and minorities. The perceptions of minority agencies in Boston reflect this concern. Standardized indexes of the "universe of need" and its component parts should be developed, with a view to different funding formulae.

10. Title I and Title II funds (including PSE funds in the latter) should be spent on programs exclusively for the disadvantaged. There is no good reason why expenditures should be less than 100 percent for the disadvantaged, as there are in some of the Prime Sponsors studied.

1. CETA IN GENERAL AND IN MASSACHUSETTS

When the Comprehensive Employment and Training Act (CETA) became law late in 1973, following compromises by the Congress and the Administration, a new approach to the delivery of manpower services was ushered in. Under the Manpower Development and Training Act of 1962 (MDTA), the U.S. Department of Labor established a number of categorical and centrally-administered programs for which contract applications from agencies in states, counties, and cities throughout the country were reviewed. Other federal agencies such as HEW, and OEO (Office of Economic Opportunity) made similar grants by contract. The "manpower programs" that emerged in the state and local governmental units tended to be whatever the contracts awarded had provided, not necessarily what these governments considered a well-rounded program to fit state and local needs.

A number of efforts were made to achieve local coordination of grants made to different agencies, especially through the development of the Cooperative Area Manpower Planning System (CAMPS). But there was also dissatisfaction in many cities, especially, with the categorical and centralized federal government administration of institutional, on-the-job (OJT), and other similar programs. At the same time, there was sentiment in the Congress to move toward a more comprehensive, decategorized and decentralized program. The Nixon administration was interested in manpower programs as a form of revenue sharing with states, counties, cities, and towns. CETA emerged out of these state and local pressures, on the one hand, and federal interests, on the other.

A. Principal Provisions of CETA

Only a brief summary as background for our findings is possible here. First, CETA does not eliminate all categorical, federally-administered programs. The Job Corps (established under MDTA) continues as a distinct national though reduced program; and separate federal programs are authorized for migrants, released offenders, youths, non-English speaking people, and American Indians. In the first-year's budget (1975), more than a third of the funds was spent on these various categorical programs. Also included in

these federal portions were the financing of the federal-state employment service, programs for research, experimental projects, evaluation, data collection, and overall management of the system. Further, certain programs which can be considered part of a comprehensive manpower policy were not included in CETA, but authorized by other legislation incorporated in other federal departmental budgets, such as vocational education and vocational rehabilitation (in HEW), economic development and public works projects (in Commerce), and others.

What is left for the state and local initiative which is considered the essence of CETA? To quote a Position Paper by the National Manpower Policy Task Force, The Comprehensive Employment and Training Act: Opportunities and Challenges (April 1974):

> "The new legislation must be put in perspective. Although the Act gives governors, mayors and county executives increased decision-making authority, the shared funds are only a piece of the nation's total manpower pie, and the federal finger (but not the heavy hand) remains."

In other words, the decentralized and decategorized part of CETA is what funds the elected officials in these decentralized government units now are given for planning, developing, and administering programs to fit their local manpower needs as they see them, with some "supervision" from the regional arms of the U.S. Department of Labor. Under these types of programs, funds are available under Title I for training of the institutional (classroom) and OJT variety. Title II provides additional funds for these programs, although these funds can also be used for public service employment programs. PSE programs were fairly small under MDTA, until the Emergency Employment Act was passed in 1971 for Washington to push out funds quickly to states and localities for "temporary" jobs in the public sector. An expanded program of public service employment, known as the Emergency Jobs and Unemployment Assistance Act of 1974, amended CETA by instituting a new Title VI (Emergency Jobs Program) to authorize initially $2.5 billion for FY 1975. These funds were made available to the states, counties, and cities with preferred applicants to include "unemployed persons who have exhausted unemployment insurance benefits, to unemployed persons who are not eligible for unemployment insurance benefits (except for persons lacking work

experience), and to unemployed persons who have been unemployed for fifteen weeks or more." PSE programs were subsequently expanded and eligibility criteria changed in FY 1977.

These standards contrasted with eligibility preference under Titles I and II, which emphasized hard-to-employ persons (frequently poor youths and minorities) with various labor market disadvantages requiring institutional skill training, on-the-job training, work experience, and subsidized private employment, as well as some public service employment. These standards were more restrictive than those for the new Title VI, which had more funds, got more publicity, and as we point out later, consumed the energies of the states, counties, and cities at the expense of attention to serving the really disadvantaged through programs authorized in Titles I and II. These were and are the central focus of the original concept of CETA.[1]

The responsibilities of the various governmental units involved in the funding, administration, and monitoring of CETA are somewhat vague in the law and in practice. Some would have preferred a system where CETA funds would have been distributed in the same manner as general revenue sharing, with little or no federal involvement beyond funding. Others favored continuing dominance of the federal agencies in the planning, review, and monitoring of CETA-type programs. Congress went half-way on these issues. It was willing to allow the state and local units of government wide leeway in planning and running of manpower programs, but it was not willing to give up the federal authority and responsibility, through regional offices of the original Manpower Administration (now Employment and Training Administration) of the U.S. Department of Labor. We refer to these regional offices subsequently with the acronym RDOL.

Against this background, we turn to consideration of the economy of Massachusetts, and then to a profile of the Prime Sponsors we studied in

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[1]The FY 1976 "new" allocation formula for Title I funds was as follows: 50% of the total based on previous year's allocation; 37% based on the number of unemployed in each Prime Sponsor's area compared to the total unemployed in all (431 Prime Sponsor) areas; 12.5% based on the number of adults in low-income families in each Prime Sponsor area compared to the total unemployed in all areas; plus a bonus for consortia of a city and surrounding areas to constitute a Prime Sponsor. Daily Labor Report, November 5, 1975.

Eastern Massachusetts. In the latter review, we omit the city of Boston here, because under a subcontract, this is a separate report in this volume.

B. The Economy of Massachusetts

One of the most important determinants of the programmatic decisions made under the CETA program, as well as the success of CETA in facilitating client movement into productive and rewarding positions commensurate with their abilities, is the surrounding economic environment. Any social or economic development program must be evaluated and discussed in the appropriate environmental context. It is one thing to establish a successful OJT program in an area experiencing rapid and sustained job growth, and quite another in an area stagnant or declining in employment. It is for this reason that a brief discussion of the Massachusetts economy is included in this report. The economy of Massachusetts has been in difficult economic straits since 1970, suffering from both structural problems and bearing a disproportionate burden of the devastating recession which besieged the U.S. beginning in 1974.

The most important measures to cite in reference to the Massachusetts economy and CETA are those relating to the growth of jobs: the unemployment rate and the labor force participation rates within the state. The growth of jobs in the Massachusetts economy since 1965 has been almost exclusively in the service sector. That sector's share of employment grew from 27 percent of the total in 1947 to 40 percent in 1973 and the rate of relative change (compared with manufacturing) continues to increase. Manufacturing employment over the same period has declined from 46 percent to 30 percent of total employment. The implications of the growth of jobs in the service sector is not clear, although some trends have become apparent. First, the jobs in the service sector, on average, pay less and have less continuity in terms of full-year, full-time employment and career paths. Secondly, due in part to the relative instability and low pay, many of those entering the labor market or displaced from jobs in the manufacturing sector are not earning an income which allows a family to get along with one wage earner. Families with two or more persons officially in the labor force have increased dramatically in Massachusetts. Furthermore, the state has the

highest female labor force participation rate of any state in the country.

Unemployment rates in Massachusetts have remained high since the recession of 1970-71, but by 1977 have at least come parallel with the national rate. However, over the crucial period of CETA implementation (early 1975) Massachusetts was experiencing 12 percent unemployment, almost 4 points higher than the national rate. The causes of high unemployment in Massachusetts are difficult to catalogue but a brief exposition will be helpful.

Apart from the United Kingdom, Massachusetts (and New England in general) is the oldest industrial economy in the West. As such the factories and related facilities possess older capital which is both less productive and more difficult to bring up to safety and health standards mandated by a variety of laws. The costs of energy and transportation are higher in New England than the remainder of the country, as we are energy poor and on the end of the nation's transportation network. Further, liberal and equitable social programs and an historical concern for the quality of life in the area have led to high taxes for both personal and business income. Finally, many of the mill-based industry (textiles, leather, shoes, etc.) have moved out of the region into Southern states, and many of these remaining have contracted or closed partially as a result of lower-priced foreign imports.

These structural problems combined with the national recession have served to offer an incredibly unfavorable environment for the introduction of the CETA program, especially Title I. Even in a good economic climate the problems of aiding the disadvantaged in a meaningful and economically viable fashion is difficult, but with the poor climate and over-demand for CETA services, the Prime Sponsor in the area have faced grave difficulties in implementing effective Title I training programs.

The history of manpower program successes and failures have taught us certain lessons about program mix in an expanding versus a contracting economy. For example, as the number of eligible people increases, it is likely that the CETA programs may have built-in incentives to cream the applicants and to possibly slow a bit on enforcement of outreach and other affirmative action goals. One cannot expect placement in OJT slots to do as

well as institutional training programs in times of economic downturn. The availability of PSE money has helped to ease the demand of the cyclically unemployed for Title I services, but not enough so that all of those who needed help were able to get it.

C. Profile of the Prime Sponsors Studied

This section presents a brief profile of the economy and socio-demographic characteristics of the various areas studied. Only the Cambridge consortium is discussed in terms of each of the member towns and cities, as the differences and similarities among these five communities will give the reader an idea of the diversity within one Prime Sponsor. The remainder of the Prime Sponsors are discussed only very briefly.

1. The Cambridge Consortium - The Eastern Middlesex Human Resource Development Authority (EMHRDA)

The five communities across the Charles River from Boston make up a widely diverse demographic and economic region consisting of the cities of Cambridge and Somerville and the towns of Arlington, Belmont, and Watertown. The entire consortium is within the Boston SMSA. In 1970 the population of the area was about 310,000 or about 5.5 percent of the total state population. The EMHRDA was formed in 1974 and grew out of a previous relationship among the towns in reference to the Area Manpower Planning Board's (AMPB) comprehensive plan which was formulated prior to the passage of CETA. Cambridge had a population large enough to stand on its own as a Prime Sponsor, but chose to take the lead in the formulation for a consortium by persuading its neighboring communities that the Prime Sponsor could be well managed and attract funds. It happened that the five towns also comprise the Congressional district of Speaker of the U.S. House of Representatives, Thomas P. O'Neill, Jr.

Examination of the economic demographic characteristics of the five cities and towns makes it clear why there was some hesitation with the initial consortium arrangement. The communities vary substantially in size, with Belmont having only one-fourth the population of the largest city, Cambridge. The governmental structure and the groups in need of manpower

services vary widely from community to community. For example, Cambridge has a substantial Portuguese-American population, as does Somerville, while Watertown has a sizable Armenian-American population and a firm commitment to serve this group in their programs. However, they all have a declining economy in common, mirroring in many ways the overall economy of the state--a decline in manufacturing jobs especially in the non-durable goods area and an increasing percentage of employment in the service sector.

The town of Arlington is clearly part of the Boston labor market, with 80 percent of its residents commuting out to their jobs. The local economy has been in a state of stagnation with very old commercial buildings and a lack of parking--both of which serve to hold down the expansion of private businesses in the town. It has a population of about 50,000, a labor force participation rate of 48 percent, and the highest median age of the five communities--33.5 years. The town is run by a professional manager with administrative authority over town government, subject to review by the elected five member Board of Selectmen. CETA is part of the town government but does not appear in the budget which goes to the town meeting. The CETA program has two main parts: PSE and a cluster of manpower services operated by a CAP agency under a subgrant. The minority population is small and spread among Greeks, Spanish-speaking, Blacks and Orientals, none representing more than 2 percent of the total population.

The City of Somerville is the second largest (population - 80,000) and most densely populated of the members. The most important sources of employment are in retail and wholesale trade and light manufacturing. Again, almost four-fifths of the workforce commute outside of the city. The minority population is dominated by the Portuguese and Spanish-speaking, each of which represent 16 and 8 percent of the population, respectively. It is mainly a working class city with a rough style of politics that has influenced the CETA program, particularly the PSE funding. The unemployment rate (14 percent in January 1976) was the highest among the five communities, as is the rate of persons dependent on welfare. The city government has a strong elected mayor who is deeply involved in the CETA program, run through the Somerville Employment Center.

Cambridge is the center of the consortium (population over 100,000) with an incredible diversity among its neighborhoods from the affluent sections housing the faculties of Harvard and MIT to the very poor neighborhoods bordering on the Somerville line. The largest ethnic groups are Portuguese and Blacks, which constitute 11 and 10 percent of the population, respectively. The government is a 9-member council elected every other year in nonpartisan elections. The council then elects the mayor from among its members and, by majority vote, hires a city manager. Cambridge has lost manufacturing jobs, but its economy is quite alive with jobs per 1,000 population equaling that of Boston--the center of economic activity in the area. About 55 percent of the residents work within the city and hold 30 percent of the total jobs within its boundaries. Education-related work and light manufacturing are the mainstays of the Cambridge economy.

CETA is run through the Cambridge Office of Manpower Affairs with its director headquartered in the Cambridge City Hall, and assigned to head the consortium. Cambridge is the most diverse and complex of the five communities with a large number of unemployed persons. The location of large universities and the interest of the universities in the government of their city complicates the political process. The CETA program is seen as a major resource for the city and the arrangement with the neighboring communities is not everyone's favorite, as the city is large enough to be its own Prime Sponsor.

Belmont is a small town (population 28,000) with virtually no minority population, but fully 20 percent of its residents over 60 years of age. Wholesale and retail trade are the mainstay of the economy. The town has no full-time town manager, but is governed by a three member part-time Board of Selectmen who hear reports from department heads under their jurisdiction each Monday evening. CETA is located in the Town Hall annex and is run by a manpower coordinator hired by the Selectmen. The unemployment rate is lower than the surrounding communities and the manpower coordinator has had some trouble in outreaching to those in the community who are pinpointed as CETA target groups.

Watertown's 36,000 residents are almost one-third Armenian-Americans. The government is a Board of Selectmen which hires a full-time manpower

coordinator for CETA. Its mainstay is manufacturing employment, although its economy has also been stagnant--an unemployment rate of 12 percent in January 1976. One of the major problems to be addressed by the CETA program is the availability of English as a second language--courses needed for the large number of immigrants who reside in the city.

In short, EMHRDA is a diverse consortium with the vast majority of its residents working outside its geographic boundaries and a generally declining economic base. The consortium exists as much for a lack of alternatives as for any other reason. The city and town governments do appear in agreement that the CETA money should, to the greatest extent possible, be used as an economic development tool. Unfortunately, there is little if any cooperation between the EMHRDA and the neighboring city of Boston, which operates alone as a Prime Sponsor.

2. The Lowell Consortium

Eight communities surrounding Lowell in the northern part of the state constitute the Lowell consortium, generally considered to be one of the better Prime Sponsors in the country. It has been the subject of numerous studies by the various agencies and groups interested in the progress and processes of CETA. The Lowell area is a "mature" manufacturing district of the state that has been under steady decline for many years. The industries which were the basis of the economy read like a list of the dying industries all over New England; apparel, textiles, and leather goods have all but disappeared from the area. They have been replaced to some extent by industries in the high-technology areas such as electronics, space and defense equipment, and computers. However, new jobs did not make up for the loss of old ones and to meet those needed as a result of the increasing area-wide labor force participation rate. The Lowell SMSA was ranked as one of the ten worst unemployment areas in the U.S. in 1975 when its rate peaked at about 15 percent. This has subsequently dropped to around 8 percent by 1977, reflecting subsequent increases in employment.

Lowell had a 1970 population of just under 100,000, and the surrounding towns (Billerica, Chelmsford, Dracut, Dunstable, Tewksbury, Tyngsborough, and Westford) add to a combined consortium population of about 214,000. The area

has very few minorities (less than 2 percent of population) but a substantial poor population, due to the high unemployment and the low wages paid in the area. In 1976 the average weekly earnings for production workers in Lowell was $176, compared to an average of $203 for the state as a whole. Further, the chances for further economic expansion do not look promising. A study by the Northern Middlesex Area Commission concluded that new or expanding industries would have little reason to locate in Lowell.

3. New Bedford Consortium

At the turn of the century New Bedford, like Lowell, was a textile manufacturing center, but by 1960 the vast majority of the mill-based industries had either died or left the area. No new major manufacturing activity has replaced them as yet. The population in this seven-city consortium in southern Massachusetts has increased in a greater proportion than the state as a whole, due in large part to the attractiveness of the geography of the area. Six of the seven towns in the consortium have been growing at a rate of 2 percent per year. The 1970 population was nearly 170,000. Unemployment in New Bedford has been high since the end of the Vietnam War and peaked in October 1975 at about 14.5 percent, compared to a 1974 average of 7.8 percent. By 1977 the unemployment rate dropped to about 7 percent.

The very large immigrant population suffers severe structural unemployment; New Bedford has the second highest proportion of first and second generation Americans of the 283 SMSAs in the country. The immigrants are predominantly Portuguese (Cape Verdians) who possess skills in the stitching and fishing industries, but if they cannot find work in these areas their employment problems are severe. Lack of ability to speak English hampers job search and productivity. The educational level of the immigrants is far below that of the non-immigrant population. The lack of English coupled with low formal educational levels has prompted the consortium to adopt many special steps in the ESL and basic education courses. New Bedford also suffers a unique problem in terms of minority population; the size of which is not known due to census definition problems. There are about 15,000 Cape Verdians in the area who are of mixed ancestry and are officially classified as white by the census, while the State Division of Employment Security

classifies them as minorities. The Cape Verdians coupled with the Spanish-Americans and Blacks constitute about 13 percent of the population.

Although the economy is relatively stagnant there have been two recent developments that could give it new life. The 200-mile fishing limit could have dramatic effects on the New Bedford fishing industry, and if the off-shore drilling begins, New Bedford will likely show dramatic changes in employment because the harbor is one of the largest on the East Coast.

4. Balance of State (BoS)

The area covered by the "Balance of State" is just what the name implies--any city or town that is not included in any of the other Prime Sponsors in the state. The coverage of the BoS is as diverse as the state itself and spread from the tip of Cape Cod to the western edge of the state. It is divided into subgrantees areas. Each of the 18 subgrantees can be likened to a "mini-prime sponsor" and is composed of contiguous cities and towns. One town is given the responsibility for administration of CETA and its chief elected official is the responsible officer. In 1975 there were 3,500,000 persons in this "Prime Sponsor," about 99 percent of them white. The affluence of the subgrantees has wide variance, with the Newton area having a median family income of over $14,000 (1970) and Fall River only $9,000.[2] The wide variance in family income is indicative of the wide variance in needs, industrial structure, and employment problems. Clearly, one of the benefits of the subgrantee structure is that the locally diverse areas can plan their own program, as it would be impossible to centrally plan for the BoS.

It is impossible to generalize about the structure of the BoS communities unless one discusses all of Massachusetts except Boston and Cambridge. The most significant indicators of use in gaining an overall picture are (1) the unemployment rate which has been higher than the national level since 1971 and (2) the fact that the manufacturing sector is declining in

[2] Fall River was scheduled to become a Prime Sponsor as of October 1, 1977--the second subgrantee to seek and gain Prime Sponsorship after a period as a subgrantee. Brockton was the first.

importance over the whole state.

Our study included not only the Balance of State headquarters in Boston, but also two different subgrantees: (1) the cities of Newton and Waltham, with nine surrounding towns, many of which are among the most affluent in the State; and (2) the City of Quincy with ten surrounding towns largely south of it. The population in the Newton subgrantee was 323,185 (1975), and the non-white population accounted for only 1.8% of this total, largely Spanish-speaking. Quincy and its area, on the other hand, had a population of 318,000, with .8% non-white. Economically, the per capita incomes in the area were generally lower than in the Newton subgrantee. Newton had difficulty during the study period in finding clients eligible under Prime Sponsor guidelines, especially for OJT. Half of the Title VI positions filled were in the professional, technical, and managerial categories, resulting from unemployment in the high-technology firms around Route 128 "golden semicircle" during the aerospace cutbacks and the economic recession generally. In Quincy, the shortage occupations were those which required experience and skill, but little was done to meet these shortages. The CETA program concentrated on the economically disadvantaged, but main energies were directed to the much larger Title VI PSE programs, since Quincy had been a "prime sponsor" under the earlier Emergency Employment Act.

One final comment should be made about these two subgrantees in the greater Boston labor market. While no data exist to show the extent of commuting to the city of Boston for employment, the Metropolitan Bay Transportation Authority (MBTA) provides rapid transit facilities to Quincy and Newton, in addition to buses and commuter rail facilities to Waltham and suburban "bedroom towns." Super highways south to the Quincy area and west to Route 128 are jammed with private automobiles coming into Boston. We did not study the other 16 subgrantee areas under Balance of State; those which are more rural may be more self-contained economic units.

Concluding Comment

It is fair to conclude that over the three-year period of the implementation of CETA, the economic climate for effective job placement, OJT programs, effective outreach, etc., in Massachusetts and especially in the Prime

Sponsors we studied has been depressed. Unemployment rates have dropped, but employment has not been expanding fast enough except in a few industries in select areas. As a consequence, CETA programs were often forced to become income maintenance programs, as we shall see, rather than instruments for upward mobility. It is important that the reader understand the setting of the implementation of CETA in eastern Massachusetts, and judge its successes and failures in this light.

2. METHODOLOGY OF THE STUDY

The central objective of this three-year research project was set forth in 1974 by agreement with the Office of Research and Development of the then Manpower Administration, U.S. Department of Labor, in the following words:

> "The objective of this project is to determine the feasibility and value of using an outside organization to observe and analyze the decisions made during the early implementation of the Comprehensive Employment and Training Act of 1973 (CETA), and to provide feedback to the CETA prime sponsor(s) on the impact of those decisions on manpower services and institutions, program participants, and others in the community."

Further, the project was to

> "... compare manpower programs under CETA with former manpower programs under MDTA ... EOA ... EEA. The grantee will address such critical issues as the determination of manpower goals; selection of program participants; composition of the manpower advisory council and its role in the decision-making process; mix of program services; structure and staffing of the manpower delivery system; role of the Employment Service; minority group perceptions of the new system; and impact on program performance by quantifiable measures, such as cost per placement, by changes in labor market status, and by qualitative considerations, such as manpower agency reputation and morale."

The project sites in Eastern Massachusetts have already been reviewed in Chapter 1. The M.I.T. Industrial Relations Section research group did not study Boston directly; there was a subcontract to the Department of Economics at Northeastern University, which had done earlier research in the city, for a two-year study of the same questions in Boston. For unavoidable reasons, the report due on Boston by July 30, 1976 had been delayed almost a year, following review of an earlier draft report by the city manpower staff and the Regional DOL office. There will be, therefore, only limited reference to the Boston study in this report. We reviewed the earlier draft report and made comments and suggestions. The final Boston report follows this report.

This chapter will indicate how we proceeded to staff for this three-year research project under the grant, the central questions with which

we began, and how the cumulative Prime Sponsor studies provided an unusual opportunity to follow a dynamic process. We shall also outline the feedback and reporting methods we used, both at thelocal and federal levels. Finally, the chapter will conclude with a brief note about methodology and the organization of the remainder of the report.

A. Staffing and Research Questions

The approach which we proposed and had used before on similar research projects involved graduate students in industrial relations at the Sloan School of Management at MIT. During the first year, 1974-75, five students chose or were assigned to the following: the Cambridge Consortium, the Lowell Consortium, the Balance of State headquarters, the Quincy Subgrantee area, and the Newton Subgrantee area. In addition, a minority student undertook to probe the nature of the perceptions toward CETA in the Boston minority community, not covered by the Northeastern-Boston study. During the summer of 1975 and the academic year 1975-76, another group of students (overlapping with the previous group in the spring of 1975) followed the first group with two exceptions: Balance of State along with Newton and Quincy were covered by one graduate student, and another covering Lowell added New Bedford also.

In the final year, beginning with an overlap in Spring 1976, and into the summer and academic year 1976-77, three more graduate students followed the previous three in the main prime sponsor areas, but no student continued on minority community perceptions of CETA in Boston. Altogether, then, a total of thirteen graduate students worked on this project at different times over the three-year period,[3] under the supervision of staff members, principally the two authors, along with Phyllis A. Wallace during the first two years.

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[3]These students were: (1974-75) Thomas Bentley, Burton Bluestone, Charles Dickinson, Susan Lotz, Oliver Underwood, and Myron Wurzberger; (1975-76) Harvey Berger, Arlene Gilliam, Anne Howe, and W. Wayne Suojanen; (1976-77) Ellen Epstein, Ethan Jacks, and Lina Newhouse. Suojanen, a doctoral student, continued his studies of Lowell and New Bedford during the summer of 1976 and part-time during the 1976-77 year, including Brockton also (a former BoS subgrantee that broke off and became a Prime Sponsor consortium).

The central questions which guided field research by graduate students during the first year and most of the second were twelve in number, and elaborated on the central issues quoted at the outset of this chapter, the statement of the grant project. Our questions dealt with the nature of the manpower planning process through the professional staff and manpower planning councils; the manpower program priorities developed as compared with pre-CETA where possible; the role of the elected officials in the whole process; the relationship between approved plans and the delivery systems to provide services (including the State Employment Service); the characteristics of the clients served and results in terms of job placements over what periods; the monitoring and evaluation procedures developed to determine which programs ought to be continued, which were funded less or dropped, and whether new programs were added; the use made of Public Service Employment (Title VI) funds; the roles of the regional Department of Labor (Manpower) office and the State Manpower Affairs staff in approving the plans providing technical assistance to Prime Sponsors and subgrantees and in monitoring and evaluating plan results; and finally in Boston, how has the administration of CETA funds through the city's Office of Manpower Affairs been perceived by members of the Boston minority community, particularly in those agencies which formerly received funds directly from Washington during the pre-CETA period.

Not every study could deal with all of these questions in the same way; but during the first two years an effort was made to get as much information as could be secured on each (except for the last which was assigned to two students in succession during the first two years). In the final year (1976-77) we urged the three students to build their Master's theses on what had been done in the preceding two years, and to emphasize particularly certain aspects of the entire project so that these in turn would be additive. Our final report draws particularly on the final year's reports which themselves include summaries of the previous work.

We believe that this research process has also permitted adaptation to dynamic changes which occurred in the Prime Sponsors and subgrantees over the period studied. Not only were there relative changes in the economic climate discussed in Chapter I, but there were problems facing some of the Prime

Sponsors in their internal relations, relationships with federal and state agencies, and others which could not have been foreseen when the original research questions were outlined. Our field research staff, in touch with these developments as they occurred, could bring a measure of reality to this three-year study for which no short series of visits or questionnaires at a point of time could adequately substitute.

B. Feedback and Reporting Methods Used

As required by the research grant, we impressed on the student field research staff the need to give oral feedback toward the end of each research year to the staff of the Prime Sponsor. This was supplemented at the end of the period by a copy of the thesis or report sent by the student to the Prime Sponsor staff that he or she worked with over the preceding year.

It was also agreed that in May 1975 and May 1976, in lieu of a written project report at that time to the Office of Research and Development, Manpower Administration, U.S. Department of Labor, the student research group would make short oral presentations in Washington to the ORD staff and other officials in the operating end of the Manpower Administration. This was organized each year by one of the authors, and proved to be useful for the students as questions were raised, and hopefully, to those who came to get this type of feedback. A short written report based on this presentation was prepared later, and sent to the ORD office in Washington for wider distribution. These two oral presentations also included a longer report by the Northeastern University group working on the CETA and pre-CETA experience in Boston, under subcontract to the MIT project.

Coordination of this Boston project and the MIT studies has occurred over the research period by oral presentations at the weekly industrial relations research seminar at MIT. In addition, the MIT student researchers have presented their interim findings each January during the "independent activities period" to an MIT audience and others invited from the Prime Sponsors, the state, and the regional DOL office. During the past year especially, one of the authors has met weekly with the student research group to coordinate their efforts in the final set of student reports for the project.

Methodology and Organization of the Report

This report is basically a summary of the generalizable impressions and facts which have been gleaned from the series of prime sponsor specific studies carried out under this project over a three-year period. As already noted, virtually all of the reports generated over the project period have focused on the problems and processes of the implementation of CETA in a specific geographic area, either a Prime Sponsor or a subgrantee. Rather than write a summary of the evolution of CETA in each of the areas studied, the authors have decided to organize this report around the different facets of CETA that cross geographic areas, with concentration on the issues and impacts which may be functionally related to CETA implementation and refinement on the national level.

Before proceeding with the organization of the report, it is important to set down several caveats which will be adhered to throughout the report.

First, generalizations about a process as complicated as the implementation of a manpower program cannot hope to capture the flavor of the enormous amount of energy and dedication put into the CETA program by some of those responsible for its implementation and administration, nor would it be beneficial to report anecdotal instances of abuse and failure. Instead, the extremes will be avoided unless considered germane to the point being made. Also, even though the authors have come to know many of the CETA officials within the State, we will not let this enter into the report in a central way unless the leadership-management differences observed will serve as lessons for those who must continue to work in the honing and refinement of CETA and other programs with similar purposes.

Second, the central focus of this report is on the processes of CETA in concert with both old and new agencies and political institutions. Field research made it clear early in the project period that lack of records, changes in geographic boundaries and personnel would not facilitate a comprehensive evaluation of the impact of CETA as compared to the variety of categorical programs operating in the same area prior to its passage. However, in some cases we were able to collect reliable data on pre-CETA programs and client mix and these will be presented.

Third, the bulk of our attention is given to the programs operating under Title I and II, although there is considerable discussion of Public Service Employment programs under Title VI. Presumably, Titles I and II, will, however continue after Title VI funds in the countercyclical sense are phased out.

The report is organized in the following manner. Chapter III presents a discussion of the administration of CETA, with emphasis on the organizational factors, especially in the Prime Sponsors studied. Chapter IV is the portion of the report which discusses the generalizations and lessons learned on the process of implementation of CETA. Attention will be given to the planning process, including the uses of labor market information, the roles of the regional DOL office, elected officials, and Prime Sponsor directors. Chapter V presents the numbers portion of our report with impact and client information that we were able to gather from pre-CETA records and post-CETA performance and monitoring information, including qualitative information as well. Finally, Chapter VI presents a more detailed summary of the findings and recommendations emerging from the entire study.

3. THE ADMINISTRATION OF CETA

Administrative difficulties in the first three years of CETA have surfaced in virtually every Prime Sponsor and subgrantee within the state, albeit to widely differing degrees. The difficulties can be traced to simple lack of experience in administering social programs, very tight deadlines imposed by the RDOL (especially in reference to the PSE allocations) understaffing, staff recruitment and turnover problems, fundamental shortcomings in the consortium arrangements, lack of technical assistance, personality difficulties on all sides of the issues, and political interference in the planning process.

The two most common administrative structures are either the prime sponsor as overseer with reliance on subcontractors for operations (except PSE), or the prime sponsor as operator and overseer. Performance and evaluation criteria show subcontracted operations to be running smoother than the other extreme, although it is not possible to assess if this is the result of the leadership style and expertise or some inherent advantage to the subcontracting method of organization.

The following section briefly describes the differing organizational structures of the prime sponsor studied. The reader should keep the differing structures in mind as the processes and impact of CETA are assessed in the remainder of this report.

A. In the Prime Sponsors

The Lowell Consortium

The city manager of Lowell, hired by the Lowell city council, is the chief officer of the consortium. Since the inception of CETA there have been five different city managers. Given that the city manager is responsible for the appointment of the CETA director and the MPC members, one might expect disruption in the CETA operations. This, however, has not been the case and Lowell is consistently cited as one of the "model" Prime Sponsors. The fact that the CETA director has remained in his position since 1973 attests to the fact that he has gained the respect of the city council, the MPC and the program operators, and has managed to win the confidence of each of the city managers.

The CETA director was previously the head of the AMPB and was involved in the Model Cities program. He has been coordinating programs in the manpower area for many years and has developed a good feel for practical solutions and compromises at the local level. All of the programs in Lowell (except PSE) are subcontracted, many of them to program operators and organizations that were functioning prior to CETA. The staff of the CETA director has responsibilities for monitoring, fiscal management, the management information system, and evaluation. (See Figure 1). Yearly evaluations of all Title I programs are conducted through data gathering as well as on-site visits by CETA staff and MPC members. The evaluation subcommittee of the MPC received summarized information and evaluation results. The review process has been taken very seriously in Lowell and the planning documents reveal that changes are implemented as a result of MPC recommendations. MPC reviews are always conducted with careful attention to the input of the director. We have yet to find a case where the recommendations of the MPC and CETA director have been overturned by the city council.

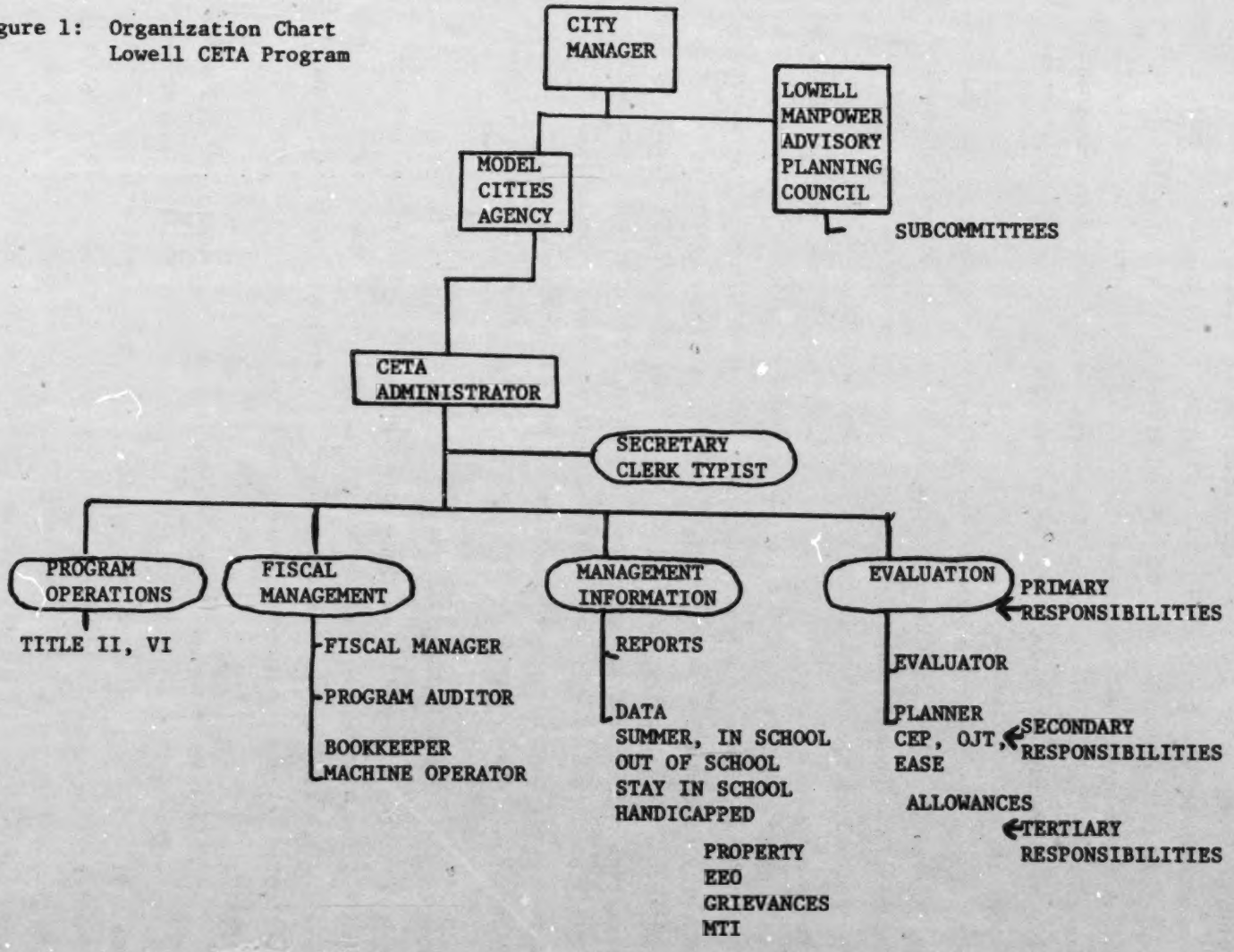
PSE programs are operated directly from the offices of the elected officials under the supervision and guidance of the CETA director. Although there were problems of timely implementation and job assignment in the earlier years, PSE processes have appeared to smooth out.

The cornerstone of Lowell's operation lies in a strong director who is able (by design) to keep free of the everyday program operation decisions and instead keep a hand in monitoring, adjustment and technical advice when needed. The organizational structure suits his leadership style and the prospects for continuing smooth operation for the Lowell Prime Sponsor are excellent. Further, the MPC plays an important and respected role, and this too, is likely to continue in the future.

The New Bedford Consortium

New Bedford, like Lowell and Cambridge, has its manpower services roots in the CEP and CAMPS projects. In fact, the present CETA director was formerly the head of the CAMPS operation and moved directly into the CETA position, taking many staff and program operators into the "new" jobs with essentially the same duties as pre-CETA. The mayor of New

Figure 1: Organization Chart
Lowell CETA Program



Bedford is the chief executive of the CETA operation with the MPC as the chief advisory unit. The mayor appointed the CETA director who has a managerial staff of five, including a director of program operations, a fiscal officer, a management information system director, a chief planner, and an equal opportunity employment officer. The director and his staff serve as the "staff" to the planning council although numerous complaints have come from MPC members that the information they receive is selective, often late and not very useful.

The program operators carry through their own administration and report directly to the CETA director and the director of program operations. MPC coordination and planning in general have proven to be problematic in New Bedford as the CETA director often makes unilateral decisions about programs and priorities. This tends to anger the MPC members and those in staff positions in the central office.

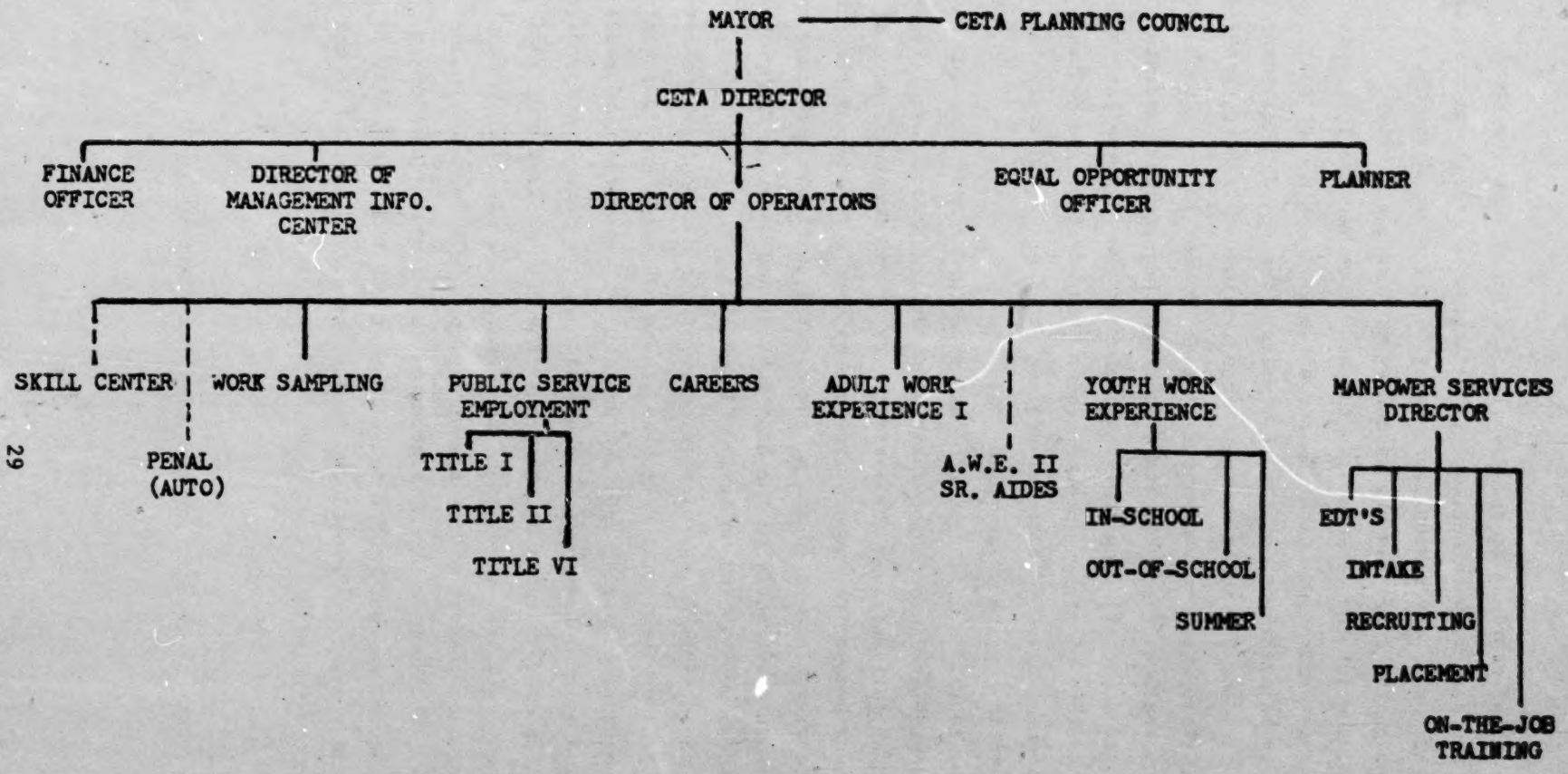
The administrative structure of New Bedford (Figure 2) resembles the majority of Prime Sponsors nationally in that there are only two major subcontracts. The local vocational school is subcontracted to provide instruction and vocational counseling to the CETA clients at the New Bedford Skill Center and the DES personnel are contracted for counseling, job development, testing and coordination of the OJT programs. Although this relationship was stormy for a while, it appears to have smoothed out.

EMHRDA - <u>The Cambridge Consortium</u>

In many ways EMHRDA is the most complicated of the Prime Sponsors studied in that the political structure and history of the five adjoining towns which make up the consortium severely complicate decision making, reporting responsibilities and authority relationships, as we have seen earlier.

In 1974 a memorandum of agreement was formulated which created three units within EMHRDA - The Board of Directors, Central Staff and Planning Council. The Board of Directors is made up of five local program operators, one from each of the member cities and towns. The Cambridge city manager is the head of the Board, although in 1975 he appointed the Director of Manpower Services from the Cambridge Office of Manpower Affairs as his substitute. The primary function of the Board is to review and approve

Figure 2: Organization Chart,
New Bedford CETA Program



- - - - - - indicates a contracted component

plans, authorize allocations to the five local offices, approve MPC nominations, and direct, when necessary, the actions of the local offices or central staff. It serves many overlapping functions with the MPC members, although the Board has the authority to direct activity.

The second major set of actors is the MPC whose membership budget and staff help is controlled by the Board, although the MPC elects its own chairman by majority vote of the 36 members. The third major actor is the regional director who is in charge of the central staff headquartered in Cambridge. This staff serves as the liaison between EMHRDA and the DES, holds training sessions for local staff, carried through labor markets analyses, provides fact-finding investigations and provides leadership and support for meetings of local manpower groups. In addition the central staff is responsible for the budgets, property monitoring and evaluation and the preparation of the yearly plan.

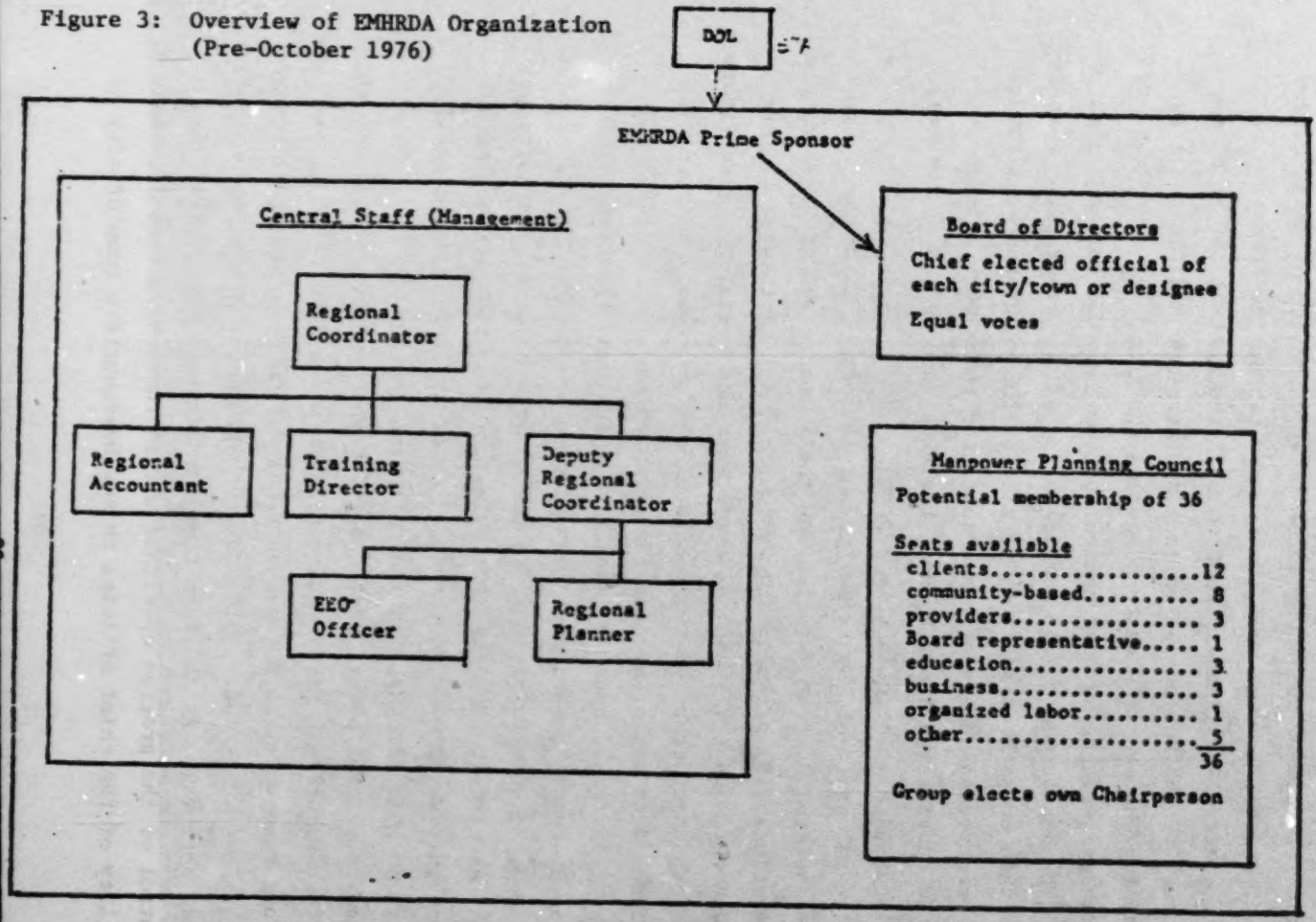
The administration and organizational structure almost dictate that there will be problems in decision-making and funding priorities. (Figure 3) This is true partially because the availability of PSE funds for each of the cities and towns brought the mayors (selectmen) into the midst of the planning and approval cycle. In addition, the central staff was perceived by many to be reporting directly to the city manager and mayor of Cambridge as the offices are housed in the Cambridge City Hall.

In one sense, EMHRDA is a micro picture of the national scheme for delivery of CETA services. The cities and towns are different in industry and population characteristics and each has its own priorities and needs for utilization of the CETA money. In addition to the inter-town problems of formulating a coordinated plan, they have the RDOL looking over their shoulder to make sure that regulations are adhered to. In fact, a legal suit has been filed against one of the cities for violation and abuse of the PSE funds. The RDOL is the initiating party. A major question in reference to abuses is whether the consortium or the individual city is responsible and whether the sanctions, if any, should be applied to the consortium or the individual city.

Balance of State

The BoS, more so than any of the other prime sponsors within the state,

Figure 3: Overview of EMHRDA Organization (Pre-October 1976)



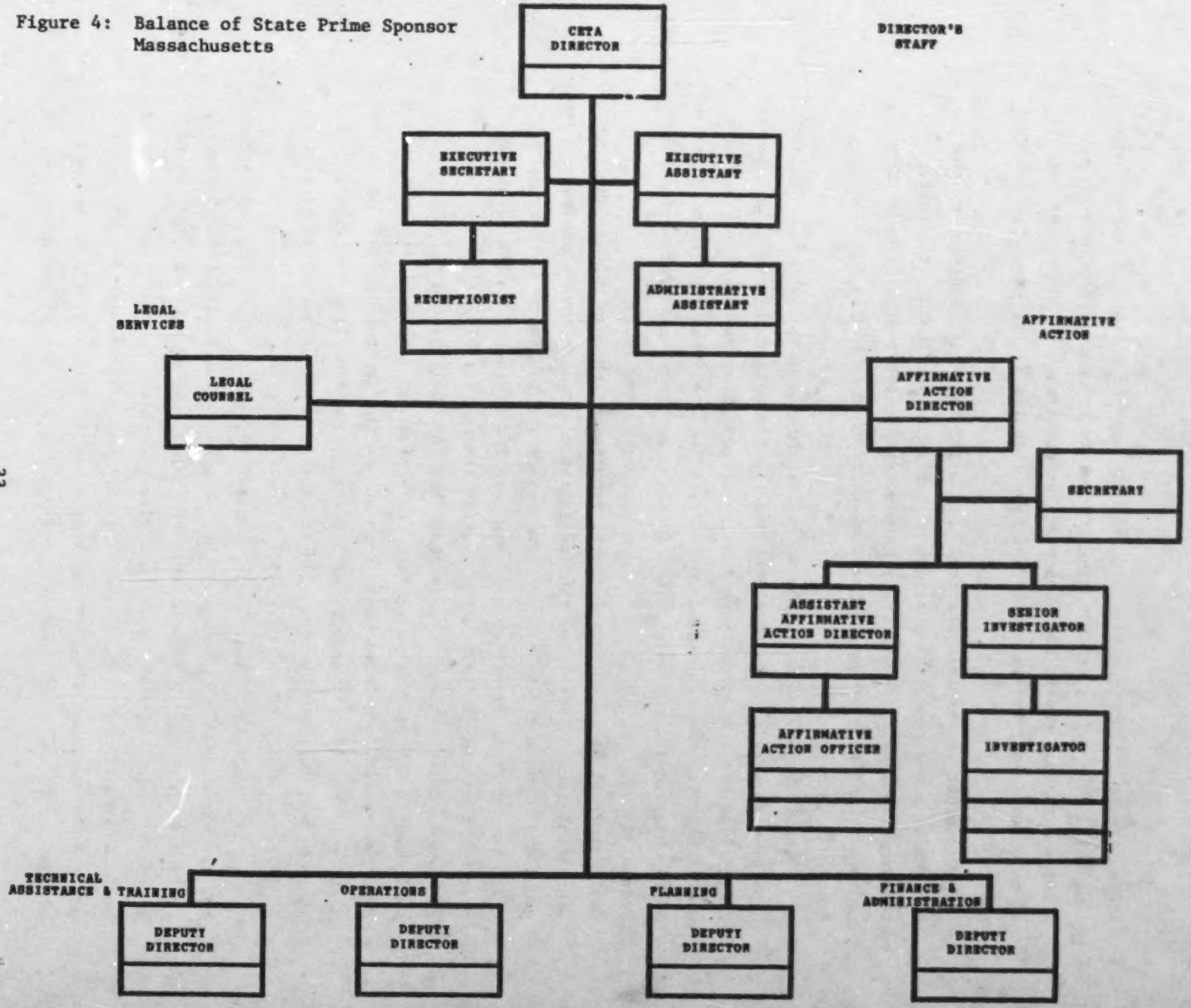
is an organization to which generalizations do not apply. The efficiency of administration and program delivery show wide variation among the 18 subgrantees. The present structure of the BoS had its roots in the organizational structure set up for the dispersion and monitoring of the Emergency Employment Act funds. Each subgrantee is a consortium of small cities and towns which acts, in some ways, as its own mini-prime sponsor with control (via contract) ultimately resting with the central office of the BoS. Essentially, the BoS serves as an administrative and financial overseer and "buffer" between the subgrantees and the RDOL.

Subgrantees are spread geographically from Cape Cod to the Berkshire Mountains. The population served are as varied as the geography. Planning autonomy, within overall guidelines, is allowed the subgrantees, although there have been several cases of plans submitted which were unacceptable to either the central staff of the BoS, the RDOL, and in one or two cases, the MPC (discussed elsewhere in this report).

The central staff of the Prime Sponsor is located in Boston where the director is assisted by four deputies and their staffs who are responsible for (1) operations, (2) planning and evaluation, (3) administration and fiscal management, and (4) technical assistance and training. (See Figure 4.) The internal structure of the BoS is almost constantly undergoing change to respond to either new funding arrangements and levels, RDOL "suggestions", advice of outside consulting firms, and the like. The structure as presently comprised is not favored by the RDOL and consequently there has been pressure to alter it to better fit the effective delivery of services, as perceived by the RDOL. In fact, the RDOL let out an RFP to "get an objective opinion on the efficacy of the BoS organizational structure." This is discussed in the following section.

There are several places where conflict and controversy are endemic to the BoS organization. First, the central staff of the Prime Sponsor must give prior approval to all subcontracts for manpower services let out by the subgrantees. Secondly, often staff hiring at the subgrantee level required BoS approval. At the same time the complete administrative and fiscal control of the program operators within the subgrantees are the responsibility of the chief official in the headquarters town or city of

Figure 4: Balance of State Prime Sponsor
Massachusetts



the subgrantee. The reporting requirements imposed on the subgrantees cover everything from policy and planning statements to monthly meetings of subgrantee directors and Prime Sponsor representatives. The volume of reports is superseded only by the number and type required of the Prime Sponsor by the RDOL.

In order to maintain "control" and offer technical assistance, the BoS headquarters has hired a series of regional coordinators to provide the organizational linkage. They have varied in their effectiveness due to lack of training or subgrantee's views of them as simply the Prime Sponsor's watchdogs.

The structure of each subgrantee resembles a "regular" Prime Sponsor type of structure with the director and staff appointed by the chief elected official in the central city or town. The BoS Prime Sponsor insists that each subgrantee has a planning council (called Area Manpower Planning Boards, AMPB) which advise the subgrantees in the same way as the MPCs advise Prime Sponsors.

Staffing has been somewhat of a problem for the central headquarters because of lack of personnel trained in the administration of manpower programs and because of the salary structure of the subgrantees. For instance, often the subgrantees are able to pay more for a planner or financial expert and thus can hire him/her away from the central office. This is advantageous for the subgrantee in that they not only hire a person experienced in the manpower area (and their training time is less), but they also get someone who knows what "goes on" in the central office. It should also be noted that the central office has "recruited" from the subgrantees. In any case, turnover is very high at central headquarters -- 46 percent in FY 1976, according to the personnel director.

Given that the BoS includes about 60 percent of the state population and its structure is in many ways beyond the control of the Prime Sponsor central staff, one can take a positive view of the development and implementation under extremely difficult circumstances. However, there is clear need to establish authority lines that are unquestioned and for the subgrantees to be given the autonomy that is built into the spirit, but not the letter of the law. Some have suggested a 5 or 6 part regional

structure for the BoS in order to prevent the problems which exist as a result of coordinating 18 different mini-prime sponsors. No action has yet been taken on this front.

If relations are not smoothed, there are several of the subgrantees which are large enough in population to take on responsibility as their own Prime Sponsor. In fact, one previous subgrantee, Brockton, has already done this and has not regrets about getting out from under the control of both the BoS and the RDOL; now they only have to deal with the latter's monitoring and oversight. Another subgrantee, Fall River, will become its own Prime Sponsor as of October 1, 1977.

B. The Regional Department of Labor (RDOL) and the Prime Sponsors

In the case of CETA, he who pays the piper does not get to call the tune. The RDOL may withhold funds from Prime Sponsors only in extreme cases and the level of funding is determined almost completely by formula. In any case, the RDOL had no stake in withholding funds as the losing party would be the clients. The most important responsibility of the Prime Sponsors to the RDOL is the submission of a comprehensive manpower plan which can be rejected by the RDOL for a variety of reasons. However, rejection is uncommon and should in fact not happen at all if the Federal Representative (FR) is working closely with the Prime Sponsor during the planning period and providing the technical assistance mandated in the law and regulations.

In addition to the planning document, the Prime Sponsor must supply the RDOL with an incredible array of reports, e.g. program planning summaries, program status summaries, PSE occupational summaries, financial status reports and so on. Occasionally, the Prime Sponsor must even provide "assurances and certifications" that it is adhering to all regulations. Persons connected with the day-to-day CETA operations are not surprised that the President's Commission on Federal Paperwork determined that the amount of paperwork required under CETA "prevented the program from serving its intended beneficiaries." The report went further to say that the DOL tended to "legislate through the issuance of guidelines and regulations." Whether or not the volumes of reports and paperwork are necessary to assure that the funds are used in an honest manner and do get to the persons

designated as target groups in the legislation is hard to determine. There are good arguments on both sides of the issue.

The demands of the RDOL for a continuous flow of forms which assure compliance with regulations may well aid the clients of the CETA program by insuring that the abuses are at least minimized. As with all aspects of the implementation of CETA, there is wide variance in the experience of the prime sponsor and their relationship with the RDOL. In some cases this is the most controversial issue, while in others the relationship has been smooth and productive. The following paragraphs present several examples of problem areas with the RDOL and some general conclusions on how the relationship might be improved in the future.

The connection between the RDOL and the prime sponsors falls mainly on the shoulders of the regional field representative (FR) who has the responsibility of offering technical assistance and monitoring the programs of specific prime sponsors. The majority of the Prime Sponsor-RDOL controversies pivot around the FR, as he/she is the immediate connection and often the purveyor of good or bad news. Unless there is a very serious problem or routine visit, the head of the regional unit does not become directly involved with the Prime Sponsor directors or staff.

Until recently, the New Bedford Prime Sponsor had an extremely strained relationship with the RDOL and, in the opinion of our on-site observer, much of this was due to the aggressiveness of the FR who chose to maximize his role as a monitoring agent rather than as a technical advisor. For example, the FR was convinced that the CETA director had no commitment to serve the disadvantaged population of the consortium, because the income level for eligibility was raised. The Prime Sponsor's claimed reason was merely to fill slots, while the FR claimed that the way to do this was to improve orientation, outreach, and assessment. Neither side was willing to compromise and the FR looked with a vengence for blatant abuses (finding some). Consequently, the relationship became so strained that the FR was transferred by the RDOL and another one took over. The new FR was much more subtle and tactful and managed to negotiate differences. As he was respected and taken seriously by the mayor and CETA director. Presently, the liaison relationship is holding up well. This case of controversy was likely the product of personalities and could have been prevented with

careful selection and supervision by the upper management personnel within the RDOL.

The case of Lowell provides an interesting contrast to New Bedford. The FR has been working constructively and cooperatively with the CETA director for a long time. The relationship may be due to the fact that Lowell operates no programs (all save PSE are subcontracted) and the director and the FR are both technical advisors and monitoring agents. Further, the RDOL is "proud" of the CETA program in Lowell and is not about to create disharmony by sending an aggressive FR to find some "dirty laundry".

Another case in point is that of the Cambridge consortium where one member city (Somerville) had a problem with the hiring procedures for PSE positions. (Presently under legal investigation). The EMHRDA director and the Board objected to "political influences" in the hiring procedures for PSE in Somerville. After failure to work it out internally (within the consortium), the DOL entered the picture (via the FR) but made neutral suggestions that either a lottery system be installed or that the DES perform the selection function. DOL was purposely staying out of the controversy. Ironically, the city manager of Cambridge (the director of the Central Manpower operation for the whole consortium had previously resigned) wrote a letter to the Associate Regional Administrator for the DOL asking him to intervene and enforce a uniform hiring procedure for the whole consortium. In other words, the controversy could not be settled internally, so the RDOL was asked for help. RDOL did not intervene directly and the allegations and accusations became very bitter. The FR then requested a corrective plan from EMHRDA headquarters and proof that Somerville was informed of the plan and the response. Only after this was done would the RDOL enter to help iron out the problem. EMHRDA felt it had no more bargaining power with Somerville, but proceeded to vote positively on the corrective action plan and notified Somerville. Somerville refused to comply and the mayor wrote a letter to the RDOL complaining about the whole process and calling the actions, "one of the more seamy witch hunts in American bureaucratic history..." Everyone was frustrated and the consortium considered disaffiliating with Somerville. It was finally agreed that a meeting would

be set up with the EMHRDA Board of Directors and the DOL Regional Administrator, after which the issue was temporarily resolved.

The lesson learned here is valuable. The FR was maintaining a posture that internal grievances of the consortium should be handled by the consortium itself, but at the same time the federal presence was always known because the FR attended all meetings and tacitly offered advice. The solution may well be a DOL investigative unit for these problems, so as not to compromise the dual loyalties and relationship of the FR to the Prime Sponsor's director and staff.

A similar incident occurred between the FR to the Boston Prime Sponsor, as Boston was not hiring for the PSE positions as fast as the RDOL would have liked. The media reported that Boston was waiting to hire so that no one would have to be laid off just prior to the upcoming mayoral election (anticipating that the funds might dry up). After much controversy (explained in more detail in the report on Boston), the FR was transferred to a new position. This particular FR became totally disenchanted with the actions of the Boston Prime Sponsor and carried this anomosity over into his new position where part of his job was liaison with the State Manpower Services Council staff. The SMSC staff was at the time preparing the rules and regulations for an experimental program called the Massachusetts Local Initiatives Program (MLIP)[4]. The immediate reaction of the FR was that it absolutely could not be done. After the regulations and intent of the program were carefully laid out to him and a series of meetings held, he finally approved the project after checking with his superiors. Ironically, the project worked well enough so that the RDOL came back to the SMSC later on and asked them for technical assistance to help others begin a similar program. Here again the personality of the FR got in the way of speedy and smooth implementation of a well-intentioned program.

The RDOL is involved with prime sponsors on more macro-organizational issues on occasion. One case in point has been the continuing controversy of the RDOL and the Balance of State (BoS) Prime Sponsor over the latter's structure and management. As has been pointed out elsewhere in the report,

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[4]This program is discussed elsewhere in the report.

the BoS structure is "left over" from a system set up in a hurry to distribute the original funds under the EEA of 1971. Essentially, the BoS is a "mini-RDOL" and lacks, according to the RDOL, the appropriate controls over the subgrantees. After at least two years of trying to get the BoS to alter the structure of the subgrantee system, RDOL sent out a Request For Proposal (RFP) for an evaluation of the organizational structure of the BoS. An out-of-state firm was hired to do the job. Subsequently, progress reports were written which were highly critical of the BoS organization's management, which were given to a special committee of the MPC of the BoS. No changes have occurred in the BoS organization and the reports have not been publicly released. Perhaps all this would not happen if the lines of authority and regulations were clearly written.

Once a year the RDOL rates each of the Prime Sponsors within its jurisdiction. The possible ratings are "satisfactory", "marginal" or "unsatisfactory." In FY 1975 the RDOL awarded the BoS an "unsatisfactory" rating, citing that (1) funds were not being spent, (2) the Prime Sponsor did not have adequate control over the subgrantees and program operators, (3) monitoring by the BoS was inadequate, (4) labor market data had not been used to justify the programs, and (5) PSE slots were not well selected. Each of these points was disputed by the Prime Sponsor, but the damage was done. The media immediately picked up the ratings and questioning commenced. An inordinate amount of time was spent defending and correcting (or appeasing) the defects listed by the RDOL. The RDOL has two options for sanction: delay of funding, or finding an alternative Prime Sponsor. Neither of these was practical or worthwhile for the BoS, which controls almost 60 percent of the state CETA activities.

The BoS tried to respond by tightening controls over the subgrantees and hiring a consulting firm (at considerable expense) to write and coordinate the planning document for FY 1976. Even with this help, the RDOL did not approve the plan and it was sent back to the subgrantees for modification. The plan was subsequently accepted (what other choice was there?), but the BoS still managed to attain only a "marginal" rating for FY 1976; the RDOL citing need for improvement in the financial reporting system and program performance. The RDOL demanded a corrective action plan before funding the

FY 1977 grant. This was done and the RDOL funded the grant. However, as will be pointed out in the section on the MPCs, the "other" Prime Sponsor watchdog (MPC) did not approve the final (modified) FY 1977 plan, although the RDOL subsequently approved the plan anyway.

Careful attention should be given to the use of this rating scheme. It can really do very little good unless the RDOL is serious about dedesignation of the Prime Sponsor. The ratings only serve to create hard feelings and ammunition for the local newspaper and political opposition. In this particular case, the BoS was trying to make improvements in a large bureaucratic system that was at best difficult and at worst impossible to completely control. After all, the spirit of CETA is for local control and planning, while at the same time the RDOL is demanding complete control from the BoS Prime Sponsor. BoS in this case is in much the same position as the RDOL in terms of sanctions. They can "dedesignate" a subgrantee but this really does not solve the problem but rather transfers it to another city or town.

Summary of Section B

It was assumed that under CETA the role of the RDOL's would change from allocation of funds and tactical decision-making as well as monitoring, evaluation and followup to the provision of technical assistance, interpretation of guidelines and general oversight. Both the Prime Sponsors and the RDOL staff have had a hard time making operational this change of roles. Some Prime Sponsor directors and staff resent the presence of the FR, while others utilize the skills and knowledge of the FR to aid in smoothing administrative and technical problems. Eastern Massachusetts offers examples of both extremes in the federal Prime Sponsor relationship. The area of federal responsibility is still vague after a full three years of CETA. Consequently, the role is often what the appointed FR decides it to be.

The only issue upon which we found full agreement among the Prime Sponsors is related to the necessity and appropriateness of the RDOL review of Title I plans. All believed this to be a helpful and legitimate function for the RDOL. However, the Prime Sponsors almost unanimously considered anything further than this review meddlesome and unnecessary. Complaints centered on the control and demands for PSE occupational justification

papers, overburdening the prime sponsors with forms and reports and rating systems which only caused media and public relations problems. Ideally, within the spirit of the CETA law, the federal role should be first and foremost one of technical advisor and secondly, the RDOL must, according to Congressional mandate, make thorough reviews of Title 1 plans, so that the target groups identified by Congress are served as the law says they should be.

It is quite clear that there is room for improvement in the RDOL-PS relationship. The following paragraphs list some areas that our field work and interviews showed us could be improved.

1. There is clear need to set down explicit guidelines on exactly what the federal role is in law and how that responsibility can be operationalized.

2. Congress and the DOL should seriously consider the separation of PSE programs from the Title 1 programs operated under CETA. The vast majority of controversies surround the use of PSE funds. These could be minimized if either the RDOL ran the programs or they maintained a regular revenue sharing "hands off" policy.

3. There is great need for careful selection and training of the FR. These staff persons are the most important link between the federal, regional, and local levels. Experience in Massachusetts shows that several have been the cause of trouble in the prime sponsors, rather than part of the solution.

4. The rating system, as it stands, is not useful. Either it should be scrapped altogether or the RDOL should be provided with some kind of sanction and reward structure to use in conjunction with the ratings. If the rating scheme is kept, the initial investigation should be quantitative, with a specific on-site followup to make sure that the rating is reflective of the real performance of the Prime Sponsor and not just of some situation which could not have been prevented, no matter what action was taken by the Prime Sponsor. This is especially true in the BoS structure where the subgrantees likely feel the same way about central office control as the BoS Prime Sponsor does about RDOL control.

5. Attention must be given to consolidating and/or eliminating some

of the paperwork required of the Prime Sponsors. Without exception, all of the FRs, DOL staff, and Prime Sponsor personnel agree that the reporting requirements are excessive. Given the experience and acknowledged expertise of the RDOL auditing staff, many of the reports required could be incorporated into the regular audit, thereby easing the burden on both the RDOL and Prime Sponsor staffs.

6. There is need for definitional clarification of the target group priorities, as well as standardized definitions of program accomplishments and placements.[5] For example, the BoS monitors for enrollments and expenditures, while the RDOL is looking for such information as cost of entering employment or cost of indirect placement, and so on.

In sum, it is fair to say that over the three-year period, some progress had been made in stabilizing the RDOL-Prime Sponsor relationship and duties, but a constructive partnership will not be achieved unless some fundamental definitional and policy changes are made.

C. The Role of Elected Officials

The involvement of elected officials in the process of planning and implementing manpower programs was (and is) one of the expressed purposes of the CETA legislation. The rationale is that an official who was dependent upon votes would be more responsive to the employment and training needs of the constituents. During the initial phase of CETA it appeared that the warnings of those who opposed the involvement of elected officials in the processes of manpower delivery were unfounded. However, this holiday of smooth but struggling implementation ended with the passage of Title VI (Public Service Employment) in December of 1974.

Almost without exception the Prime Sponsors and subgrantees in our study had a director who was either appointed by the chief elected official or with the approval of the official or Board of Selectmen. Often the city manager was involved in the appointment. In all cases there is political involvement in the processes and funding decisions, although the degree varies tremendously. The attitude also varies, with some elected officials wishing that they never would have become involved with others making

[5] Recently, the RDOL has issued a memorandum which clearly defines what is meant by "economically disadvantaged." This should ease the problem of eligibility determination.

concerted efforts to fulfill promises to the disadvantaged and unemployed in their cities and towns. In this area, more so than any other in this study, it is impossible to generalize. Even the anecdotes of abuses and cooperative constructive efforts will not be useful to the reader, as they have all likely heard enough from the media or other reports.

Within Eastern Massachusetts, we found that the larger the city, the less likely the chief elected official will become involved in anything other than basic goals and policies of the CETA program. There are exceptions which usually occur when there is a crisis of some sort. It is also true that since the inception of CETA, the elected officials, in all sized cities, have become more interested in manpower programs as their control and involvement became more than an advisory perfunctory role, as it was prior to CETA.

Organizationally, CETA can become a problem in the larger cities where the elected officials cannot keep a close hand in the operation, but do like to know what is going on. This, of course, creates yet another "boss" for the CETA director (in addition to the MPC, RDOL, and in the BoS, the Prime Sponsor director). It is fair to conclude with reference to the Title I programs that the involvement of elected officials has not created any special problems which could not be overcome with time and experience, especially given the monitoring function of the RDOL.

As mentioned earlier, the PSE portion of CETA created an altogether different situation. In Massachusetts there was a desperate fiscal crisis in the vast majority of the cities and in the state as a whole. City governments were, as usually, the first targets of complaints as the property tax rate rose. The elected officials saw PSE monies as a way of easing the financial problems by keeping on employees and/or not cutting back services. However, the RDOL and some Prime Sponsor personnel vigorously tried to enforce "maintenance of effort" provisions of the law.

The complicated history of the evolution of the regulations concerning maintenance of effort is not worth repeating in this report, but suffice to say that the Prime Sponsors and subgrantees within Massachusetts were in the midst of the controversy. It is easy to understand the positions of the elected officials, given that unemployment was rising very rapidly and the

provision of federal funds to take up some of the slack was very tempting. One of the authors of this report was, during the initial year of Title VI working within the state office responsible for the BoS. Subgrantee regional coordinators reported abuses and investigations. Although no criminal charges were filed, the threat was very real. As the problems of the initial year eased and the regulations and guidelines became more clear, the number of abuses cited by the regional coordinators dropped substantially.

However, the problem still remains that there is often a connection between the provision of PSE jobs and elections. PSE jobs are one easily accessible tool for providing or keeping up services and for taking care of those who are connected in some way with the administration. The initial eligibility rules were so loose that virtually anyone unemployed could qualify for a Title VI job. This situation has been, at least in part, corrected with the new more strict regulations. Also, with the additional funds forthcoming, the most obvious abuses (such as the hiring of a brother-in-law for a "gofer" job in city hall) will be much less likely. Further, even if there is rehiring of those who were laid off, this is not necessarily a loss, but maybe just a leakage of the funds. If the PSE money prevents a tax rise, this is a positive achievement even if not within the set of goals and priorities of the CETA legislation.

The field researchers have discussed the issue of PSE with some of the Prime Sponsor directors and a few of the elected officials. Some expressed the opinion that it would be better if the federal government were completely responsible for countercyclical employment programs such as PSE. The political heat would be off of them if they could say that it was no longer within their jurisdiction. This is an option that should be seriously considered by the lawmakers. Title I and Title II programs are two entirely different programs than Title VI (PSE), with different purposes, target groups and time frames. One set is targeted specifically at those with labor market disadvantages and the other a countercyclical measure.

The use of political influence is a possibility under any service delivery system, be it municipal, state or federal. The major question is how to minimize the misuse. We believe that federally-funded and run countercyclical programs may be the best route to take. But if the operation

remains at the local level, we would recommend an ombudsman to perform the compliance functions so as not to jeopardize the already fragile relationship of the FR and the RDOL with the Prime Sponsors and their corresponding elected officials.

D. Coordination of Employment and Training Programs

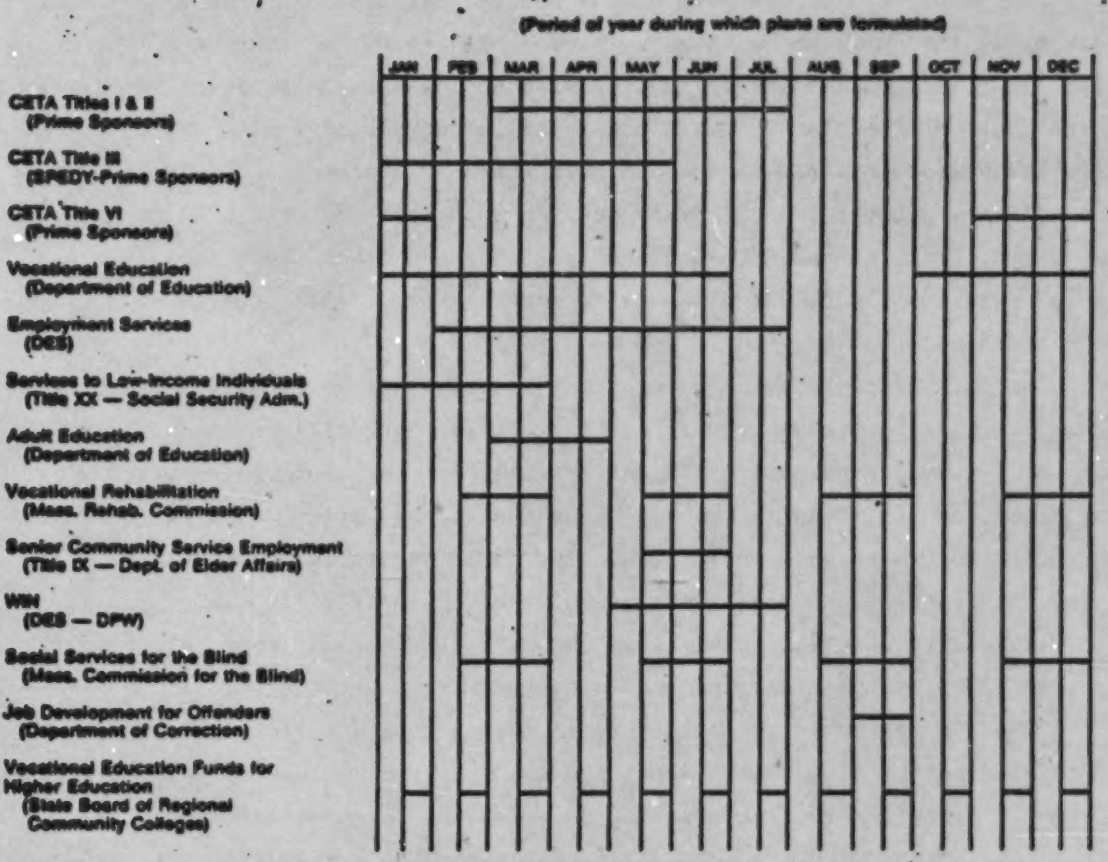
Although it is the largest of the federally-funded employment and training-related programs within the state, CETA is by no means "comprehensive". Myriad agencies and offices provide employment and training services to residents of the state: Division of Employment Security-WIN, Department of Public Welfare - Title XX and WIN, Department of Corrections, Division of Occupational Education, and the Massachusetts Commission for the Blind, to name a few. Part of the CETA mandate is to offer a forum where locally-offered services can be coordinated, if not programmatically, at least in the comprehensive plan.

The goal of coordinating employment and training services is questioned by very few as it is obviously more efficient for both clients and administration if there is no duplication of services and few overlapping bureaucratic procedures. Despite the consensus that coordination would be good, it has turned out to be an especially elusive goal, partially the result of vested interests of the organizations which have historically delivered certain services to specific populations and partially because there has been no strong push at the state and local levels to accomplish the goal.

The SMSC has taken the lead role in moving toward coordination of the incredible variety of public and private employment and training related programs. Table 1 shows the array of programs and target groups operating within the Commonwealth. A quick glance over the table immediately brings out the magnitude of the coordination problem faced by the SMSC which has been designated under CETA regulations and by the Governor as the official review and coordinating agency for the state's programs.

The SMSC has taken strides in leading in coordination by formulating the "Governor's Employment and Training Plan" -- a document which should provide the policy and procedural information upon which the state agencies and localities can build their programs. Also, the SMSC has the

Table 1. Program Planning Cycles in Massachusetts


(Period of year during which plans are formulated)
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
CETA Titles I & II (Prime Sponsors)
CETA Title III (SPEDY-Prime Sponsors)
CETA Title VI (Prime Sponsors)
Vocational Education (Department of Education)
Employment Services (DES)
Services to Low-Income Individuals (Title XX — Social Security Adm.)
Adult Education (Department of Education)
Vocational Rehabilitation (Mass. Rehab. Commission)
Senior Community Service Employment (Title IX — Dept. of Elder Affairs)
WIN (DES — DPW)
Social Services for the Blind (Mass. Commission for the Blind)
Job Development for Offenders (Department of Correction)
Vocational Education Funds for Higher Education (State Board of Regional Community Colleges)

Governor's 4% and 5% discretionary funds (under Title I) to use as the "carrot" of coordination. However, this "pot" of funds is just not large enough (nor should it be) for the SMSC to be able to demand coordination. Furthermore, there are no sanctions for noncoordination. As part of the Governor's manpower plan there are a series of recommendations for the facilitation of coordination.

On a state level the SMSC has recommended that they be given authority to scrutinize and comment on all employment and training plans formulated within the state, that DOL and HEW take steps to insure that plans prepared by other agencies in the state "fit" with the SMSC recommendations and their coordination mandate, and that the SMSC take the lead in drawing up coordinating agreements among state and local agencies. Although rather ambitious in these goals, the SMSC effort clearly is the necessary first step.

Local coordination will be a more difficult problem, but here too the SMSC has taken the first step of recommendations for facilitating coordination and accountability. The most important of the recommendations centers on the consolidation of localized planning councils, many of which have the same clients and members. For example, recent changes in the Vocational Education Act mandate local councils. This is clearly an area where the councils should be merged or at least coordinated with the MPCs.

On a practical level the coordination of services by CETA has proceeded the furthest in the Division of Employment Security and the Vocational Education facilities. DES, already jointly operating the WIN program with the Welfare Agencies, has arranged to coordinate at least some of its services with all of the Prime Sponsors in the state. The RDOL ahs consistantly urged that the DES carry out the same activities that it did prior to CETA so that there is no duplication of effort. In principle, the DES-CETA coordination is easy, but as performance reviews and cost effectiveness studies are done, some of the prime sponsors have balked at automatically giving the DES responsibility for placement or OJT contracting. In the case of EMHRDA, the dispute was so intense that the RDOL had to "mediate" and hammer out an agreement on funding, PSE slot assignment in DES offices, and the organization of DES employees outstationed in CETA offices.

Another problem area for coordination efforts is the fact that virtually none of the various employment and training related programs share the same planning and service delivery boundaries, nor is there any commonality in the submission dates for yearly plans. Thus, plans for vocational rehabilitation program planning goes on in the fall, while CETA planning (possibly serving some of the same client groups) proceeds through the spring and summer.

In sum, the idea of a one-stop comprehensive delivery service for aid to the needy and disadvantaged and the notion of overall coordinated planning for employment and training programs has yet to come to fruition. It is an extremely difficult task, given the wide variety of programs in both the public and private sectors. Strides have been made and the continuing efforts of the SMSC in this area is expected to make at least marginal positive changes.

4. THE PROCESSES OF CETA

The basic purposes of CETA is to offer services and jobs to those in U.S. population who are willing to work but unable to find an appropriate job either because of lack of training, institutionalized discrimination or cyclically-related scarcity of job opportunities. The letter and intent of the CETA legislation concentrates on the needs of individuals, specifically those who are economically disadvantaged. The processes whereby the Prime Sponsors identify the needs, plan programs to fit those needs, coordinate them with the needs on the demand side of the labor market, and effectively and efficiently administer the programs, is the subject of this chapter.

The processes of CETA are as varied as are the needs of clients and the personalities and preferences of the local government officials and their appointed directors of operations. Within certain legislative and regulatory parameters, the Prime Sponsors have a large amount of discretion relating to not only how they plan and organize the delivery, monitoring and evaluation of services and employment offered, but also in how they set up the administration of the program. The guidelines provided by the Congress and expanded in the form of regulations by the Department of Labor offer considerable latitude to the Prime Sponsors. This is not surprising, because a program as complicated and far-reaching as CETA cannot have explicit regulations that apply to each and every program and Prime Sponsor. Indeed, the spirit of CETA is to allow them to determine their local needs and respond to them with a series of ameliorative programs deemed in the best interests of those in the area served.

Process evaluation is by definition a subjective venture. Few generalizations are possible and the closer one examines Prime Sponsor operations, the more clearly the uniqueness emerges. Nevertheless, discussion of areas where our research has found strengths and weaknesses in the processes of CETA may aid in the prevention of future mistakes and can serve as examples for administrative adjustments of CETA or, possibly, legislative reformulation of the administrative, monitoring, control, and operations of Prime Sponsors.

The first section of this chapter concentrates on an assessment of the efficacy of the planning councils in the areas studied. The following

section briefly provides illustrations of the activities and effectiveness of the staff planners and the documents they produce and submit to the Regional Office of the Department of Labor for approval.

A. Planning CETA

The demand for localized manpower planning was not a product of the CETA law, but rather was the major force behind its passage, as we have noted earlier. There are three major sets of actors involved in the planning part of the programs and service delivery to the clients of CETA. The overall policy makers are at the top of the pyramid because they set the goals and priorities either broadly or specifically (within guidelines and regulations set out by the Department of Labor) which must then be taken into account by both the planner(s) within the local SETA offices and the advisory bodies associated with the Prime Sponsor, usually called Manpower Planning Councils (MPCs). Federal regulations also call for the formulation of a state body to oversee the implementation of CETA--The State Manpower Services Council. In Massachusetts, as in other states with a "Balance of State" Prime Sponsor, the Governor is responsible for both the SMSC and the BoS, especially in reference to overall policy and planning guidelines.

This section first discusses the role of the governor and his designees in formulating overall policy goals for the BoS and the SMSC operations. Secondly, the role of the MPCs is reviewed for those Prime Sponsors. Thirdly, the role of the planners and planning process is discussed.

Policy Goals in Massachusetts

The Governor is responsible for the formulation of the overall economic development program and goals for the Commonwealth, as well as for the more specific goals and programs of the SMSC. The former evolves as part of the overall economic development plan for the state and the latter through the policy statements and report of the SMSC, located within the State Office of Economic Affairs. The broad document issued by the Office of State Planning[6] contains little in the way of useful information or guidelines for the CETA

[6]Michael S. Dukakis, An Economic Development Program for Massachusetts, August 1976.

planning bodies, although the appropriate discussion of the mismatch of skills with existing jobs, lack of transportation for access to major employment centers, and insufficient information is included. It does however, if only by virtue of inclusion, point to the need for more effective and efficient delivery and planning of training and employment related services to those citizens of the state who need them. From this general policy the SMSC must then formulate its overall policies and guidelines for the state Prime Sponsosrs. Actually, experience has shown that the Governor has little time to devote attention to the operations of CETA unless there is some specific "hot topic" which draws his attention or that of his Secretary of Economic Affairs.

Within the Office of Economic Affairs for the state there is an Assistant Secretary for Manpower Development who is officially responsible for the Balance of State Prime Sponsor, the SMSC, and the Office of Research and Development. The relationship with the BoS and the R and D unit will be discussed later in the report. The SMSC appears to have a great amount of latitude in terms of its planning, policy formulation, and program selection (Governor's 5% and 4% of Title I money) and the director, appointed early in 1976, has taken many positive steps in placing the role of the SMSC as close as possible to its legislatively mandated goals. This progress is due both to the personality and enthusiasm of the director and the encouragement of the Assistant Secretary. The SMSC has gone through a series of reorganizations since it inception, the most radical due to the election of a new governor and subsequent appointments of new officials to run the department.

In January of 1976 the SMSC laid out its goals in reference to the review process and stressed the coordination of data analysis and the consistency of the Prime Sponsors' plans with the overall labor market and economic development goals of the state.[7] The inputs of the SMSC into the planning process of the Prime Sponsors got off to a slow start due to their reluctance to conform to yet another time-consuming review process. However,

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[7]"Statement of Objectives," Massachusetts State Manpower Services Council, January 1976.

this appears to have been corrected by the SMSC appointment of one staff member to each Prime Sponsor to follow the planning process from beginning to the date of submission to the Department of Labor. Not only has this appeared to ease the resentment, but it has facilitated the use of the most careful and detailed labor market research being done in the parallel office of Research and Development within the Office of the Assistant Secretary for Manpower Development. Consequently, there should be more coordination among Prime Sponsor plans and no surprise objections to a plan from the SMSC at the last minute. Clearly, the efforts of the SMSC will provide a payoff in terms of adding some analytical creditability to the plans as well as providing some coordination.

In addition to the direct input into the Prime Sponsor planning process, the SMSC is formulating an overall manpower development plan for the state. At the time this is written, the plan is in draft form, but first reading suggests that it contains good data, data analysis, and overall, is a very practical document. Hopefully, it will be utilized by the Prime Sponsor staffs and the various Manpower Planning Councils (MPCs). One important area mentioned in the SMSC document is the "demand" that the Prime Sponsors explain exactly how they will coordinate efforts with the Division of Employment Security (DES), which runs the public employment service and pays out unemployment benefits to those eligible.

The major problem with the SMSC has been how to exercise influence without enforcement power (a question discussed in detail with respect to the MPCs). The only funds directly under SMSC control are the 5 percent and 4 percent discretionary fund under Title I. This is not a large enough pot of money that it could be used to threaten recalcitrant Prime Sponsors. Consequently, the SMSC and the Office of Manpower Affairs have utilized both persuasion and the selling of their usefulness in providing technical expertise and aid in the development and utilization of data. This tactic is really the only route available to the SMSC given the regulation governing its activity.

Once the overall policy and pragmatic guides are presented by the SMSC to the Prime Sponsors, the stated priorities must then be taken to the Prime Sponsors own planning body--the MPCs. The MPCs are then the fourth in the

line of "policy" advisory bodies operating within the networks: (1) The Department of Labor and the Regional Office of the Department of Labor; (2) The Governor; (3) The State Manpower Services Council; and (4) The Manpower Planning Councils. The BoS subgrantees have yet a 5th "policy" group--the BoS mandated Area Manpower Planning Boards (AMPBs). It is worthwhile to note that the only sanction available to the planning bodies, when Prime Sponsors do not comply with their wishes (or regulations), is the ability of the DOL-RDOL to withhold funds. This "sanction," of course, would hurt the clients, not the Prime Sponsors except possibly indirectly through the political process. The next section discusses the activities of the various MPCs we studied over the three-year period.

Manpower Planning Councils (MPCs)

The passage of the Economic Opportunity Act with its programmatic concentration on pockets of poverty and deprivation within the U.S. brought initial attention to the efficacy of local labor market and manpower planning. As the concept of local manpower planning has developed through a series of informal administrative dictums and formal programmatic institutions, it has proven to be the most elusive of the goals of manpower and poverty programs. Planning goes on within any organization, albeit tacitly and without formal structure in many. Often, planning is confused with an analytical approach to program administration. Real planning is, however, much more than simply laying out planned services and identifying client groups. Coordination is the key once the priorities and policies have been laid out for the planner to use. A good manpower planner must be a jack-of-all trades in that he/she must have a fundamental understanding not only of the economics of the labor market on the supply and demand side, but must also have a keen awareness of the needs and priorities of client groups and of the political and administrative forces which can be the pivot upon which the successful implementation of a plan turns.

The present system of Manpower Planning Councils has its roots in the Concentrated Employment Program (CEP) and the Cooperative Area Manpower Planning System (CAMPS). CEP was styled after a successful experimental program run in Chicago called Jobs Now which involved a comprehensive,

multi-service, client-centered approach to employment and training problems. Virtually every aspect of the "manpower" bag of tools was offered through this program. Each project would have a prime sponsor who would be responsible for all services or contract all or part of them out. This was the kernal of CETA.[8] Originally, there were 19 CEPs, but this quickly became quite popular and by 1970 there were over 70 of them operating nationwide. Most of the CEP projects were housed in Community Action Agencies and the problem with the DES plagued their success; however, the experience gained in the ghetto-located CEP offices provided valuable experience in the coordinated delivery of manpower services.

CAMPS, initiated by the Manpower Administration within DOL, was designed to create a planning structure at the area, state, regional, and national level. CAMPS provided a forum where program operators could get together as well as an overly ambitious planning scheme which was to have sub-state planning committees draw up plans and submit them to the state CAMPS committees which would then in turn submit it to the RDOL. The RDOLs would synthesize a national plan to submit to the DOL in Washington. This process never really worked well due to several inconsistencies such as the fact that the regional DOL offices were funded by categorical programs and this undercut any local coordination and consolidation attempts. Further, Presidentially-planned budget figures were usually different than Congressional appropriations and not all manpower programs were included in the CAMPS process. The Nixon administration recognized that CAMPS was not working well and made "corrections" in the system which were the forerunners of the presently operating CETA system. Funds were provided to hire

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[8] It is interesting to note that the problems of coordination of CEP and the Employment Service began as the CEP program was implemented. The "dispute" over who was to be the "prime sponsor" in a city or locale was compromised with the OEO given the "presumptive" right to be the prime sponsor and the ES given the "presumptive" right to deliver training and placement services under subcontract. As will be illustrated later in the report, the problems of coordination and cooperation between the EMHRDA and the Massachusetts DES were a deja vu for those familiar with the history of CEP.

professional planners and the political officials in the CAMPS jurisdiction were given the authority to preside over the CAMPS committees.

During the last few years prior to the passage of CETA there remained several obstacles to the effective implementation of localized planning and delivery of manpower services. The federal role was very strong in terms of funding, guidelines and monitoring and the various categorical programs worked against coordination at the local level. After several years of compromise and the threat of "administrative decentralization"[9] Congress finally, in December of 1973, passed CETA which decategorized the programs and provided for the planning and management of localized programs under the aegis of the locally elected officials. CETA's structure was not a total victory for the "new federalism" in that several Democrats on the House and Senate Labor Committees in conjunction with the AFL-CIO (and some DOL administrators) managed to keep the federal government involved with the responsibility to review and approve the plans drawn up by the Prime Sponsors. Each Prime Sponsor much appoint a Manpower Planning Council with advisory powers to review the yearly plans, monitor and evaluate programs.

More specifically Section 104 of CETA provides for the Prime Sponsor to create a planning council with broad based representation, including client group representatives. In addition, the Prime Sponsor is to provide the MPC with professional, technical, and clerical staff to aid the MPC in review, approval, and evaluation functions. Section 104 concludes with caveat that the Prime Sponsor will make final decisions. Clearly, the federal lawmakers intended the MPC to have only advisory responsibilities. This was reinforced by the DOL's regulations which were written in such a way that the provision of staff to the MPC by the Prime Sponsor was an empty responsibility.

In March 1975 the Assistant Regional Director for Manpower sent a letter to all Prime Sponsors in Region 1 and advised them that the MPCs should have an active role in making policy and that the Prime Sponsor should supply them

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[9] Prior to the passage of CETA the DOL had gone far along in formalizing the plans for a fallback position to administratively decentralize the planning and management of the manpower programs just in case the Congress did not pass a bill acceptable to the Administration.

with staff support.[10] This letter seemed to modify the legislative provisions of CETA mentioned above, but it was intended to encourage Prime Sponsors to effectively use the MPCs. The following is a short description of the evolution of MPC activity in the Prime Sponsors studied.

Balance of State

Almost 60 percent of the total CETA activity in the state operates under the aegis of the BoS and its 18 subgrantees. The size and geographic dispersion make the planning processes more difficult as the needs of clients in the primarily rural western end of the state are very different from those of some of the subgrantees bordering on Boston. Initially the MPC was setup to include 2 members from each subgrantee and ten additional members from client groups, business, labor, and community-based organizations. Problems began immediately with the subgrantees each protecting their own interests and showing reluctance in cooperating with the other human service agencies within their area. Some of the problems stemmed from the autonomy of program operators in some of the pre-CETA categorical programs.

In its first year of operation the MPC was chaired by the director of the BoS Prime Sponsor, who could dismiss members if she wished to do so. Eventually, she stopped being chairperson and was simply a member. Finally, she stepped down as a member but still attended meetings. As it turned out this was a wise action since the role of the MPC was initially perceived as an overseer of policy and programs and the director being chairperson was inappropriate. In general, there was little interest in the Council as as shown by an attendance figure of roughly 33 percent over the year and the fact that the first meeting was so unstructured that several members resigned immediately. The MPC did, however, take two steps in the first year to try and "make its mark." First, the MPC asked the AMPBs (the planning and advisory arm of the subgrantees) to bring the minutes of their planning meetings to the regular MPC meetings with the idea of coordination of the overall planning structure of the BoS. This was a valuable action although

[10] Letter from the Assistant Regional Director for Manpower, Region 1, U.S. Department of Labor, date March 25, 1975.

initially resented by the AMPBs. It opened the way for coordinated planning. Secondly, the MPC asked that a certain portion of the BoS Title I funds be set aside for "innovative" projects and programs.

Some of the problems and mistakes of the first year of MPC activity brought changes in its structure, with the membership shifting away from dominance by the subgrantees to a broader base of community-based organization and other interested parties. Some of the members who had remained on the council after the reasonably ineffective first year began to take a more active role in planning. Subcommittees were set up, the most important being the program and evaluation committee (P and E).

By the 1977 planning cycle, P and E committee began to take a very active and concerned role in the process. Their activities included site visits to the subgrantees and a careful appraisal of each subgrantee plan. As a result of the overview process 5 of 18 plans were labeled "unsatisfactory" and discussed extensively in the MPC meetings. One plan was bad enough, in the opinion of the subcommittee, that they recommended that the subgrantee be dedesignated, i.e. not funded and its operations turned over to the adjoining subgrantee. The subgrantee in question had already lost responsibility for operation of its Title I programs (which were turned over to the neighboring town) and this recommendation was going to take away the Titles II and VI monies. The Prime Sponsor director discussed the recommendation with the regional DOL and came back to the MPC to indicate that the DOL said it was necessary to prove "gross mismanagement" to dedesignate. The director commented that the process would be "very difficult." The mayor of the city in question then made some concessions by cutting the size of the CETA staff. The Prime Sponsor dropped all discussion of cutting off the funds. The members of the MPC who were involved in this were quite angry as they had put in a good deal of time and effort in their role as reviewers which did not result in Prime Sponsor action as recommended.

Immediately following the above incident the Prime Sponsor was notified that the DOL had allocated an additional $5 million for Title I programs. Just prior to this notification, the MPC had approved the total Prime Sponsor plan for the next year. Consequently, the additional money had to be worked into the plan as a "modification." The Prime Sponsor asked the MPC to have

input into the decisions on the new funds, but at the same time was going ahead with its own plans for distributing all but a portion ($240,000-$700,000) which was to be used to hire consultants to do specific projects. The P and E subcommittee asked for justification and unsatisfactory information was provided. Finally, the Prime Sponsor dropped the amount they withheld for consulting uses to $240,000 and the remainder was distributed to the subgrantees. The MPC would not approve the consulting and distribution plan but the modification was sent to the DOL without their approval. Again, the MPC members were angry at having no influence. A team member's attendance at the MPC meetings left the impression that both sides of this issue had validity. The Prime Sponsor director believed that her decision was the most appropriate and she really did not have to abide by the MPC recommendations.

An example of productive cooperation between the BoS Prime Sponsor and the MPC is illustrated by their effort in surveying the AMPBs of the subgrantees in order to draft guidelines for AMPB work. The irony here is that the MPC did have formal control over these guidelines (it was given the responsibility by the Prime Sponsor director). Thus, the AMPBs were in the same position that the MPC usually was in--an advisory body with no power. The MPC had final decision-making power.

To further pursue the relationship of the MPC and the Prime Sponsor, we surveyed the membership of the BoS council. Of the 22 questionnaires sent we received useful responses from 13. The consensus was that the impact of the council had changed for the better since they had begun work with it, although virtually all had one or more complaints. The majority wanted more power to police and monitor the operations of the Prime Sponsor, more staff support and less of their time spent in what they considered to be regular Prime Sponsor staff functions. Overall there appeared to be a great deal of frustration on the part of the council due to their powerlessness. This perception is quite true in light of the loosely written legislation. For example, the staff person assigned to the council is in fact ultimately responsible for pay and promotion to the Prime Sponsor director. This puts this employee in a tenuous position when asked straight questions about internal Prime Sponsor operations and priorities.

Lowell and New Bedford[11]

The first planning round under CETA in Lowell was conducted by the already in place AMPB under the directorship of the present CETA director. The makeup of the AMPB carried over into the MPC after CETA, although the central role of the Lowell Model Cities agency was tempered under CETA, it was still important. Initially the small communities in the Lowell Prime Sponsor did not take an active part in the planning process, but as the Title VI money came available the interest level increased dramatically and has remained high. There was little if any client representation on the initial council and this is still a problem in Lowell.

The CETA director, who was named by a local newspaper as the "godfather" of manpower in Lowell, laid excellent groundwork in a low key fashion, thereby gaining the respect of those in both the program and MPC portions of the Prime Sponsor. He managed, in the first year, to get the MPC established as the center of policy discussion and review. In fact, the MPC's preference for OJT programs was influential in changing program emphasis in this direction. There were really very few programmatic changes in the first year, but at a minimum the categorical operators were forced to defend and justify their program decisions.

In the second year, procedures were set up in both Lowell and New Bedford for sending information to the MPC members prior to the meeting. In Lowell virtually no non-voting members have attended the meetings while the opposite is true in New Bedford. The latter related to the dissatisfaction of some minority groups in the area with the attention given to them in the program mix (Cape Verdians). In both Lowell and New Bedford, the average attendance at the MPC meetings was in the 50 percent range, although the CETA staff took great interest in attending in Lowell (at the urging of the Prime Sponsor director).

The subcommittee structure of the New Bedford MPC was suggested by the federal representatives (FR) and appears to have worked positively. A job demand survey was asked for by the new subcommittee and was obtained.

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[11] We did not have a researcher assigned to New Bedford during the FY 1975 planning and program cycle.

Presently, the results are being incorporated into the New Bedford plan. Further, more ESL programs and employer visits to training facilities have resulted from MPC recommendations.

During the planning cycle for FY 1978 the roles of the MPCs in both Lowell and New Bedford have "settled." There are contrasts in the structure and function of the MPC in the two cities which have remained since the inception of CETA. The director in New Bedford is more autocratic and, according to the MPC members, often simply reads to them program and policy decisions already made, while the director in Lowell tends to rely on and follow the advice of the MPC members. For example, Lowell received an additional $500,000 in Title I funds last year. The director immediately asked the MPC to review and prioritize 17 different proposals for use of the money. The voted decisions were adhered to by the director. On the other hand, in the New Bedford Prime Sponsor friction was created when the DOL Field Representative, in conjunction with the New Bedford chief planner, strongly suggested changes in the monitoring and policy-making functions of the MPC. This action resulted in the dismissal of the planner and little change in the policy and review procedures.

It should be pointed out that the structure of the Prime Sponsor may account for the different roles of the MPC. In New Bedford the programs are run directly by the Prime Sponsor, while all programs are subcontracted in Lowell. Thus, the Lowell director is not a program operator and may, therefore, be more willing to be flexible in policy and programs, while the New Bedford director may be acting in a more protective manner of "his programs."

The Cambridge Consortium--EMHRDA

EMHRDA, too, has its roots in the CAMPS framework when these five communities contiguous to Boston came together for purposes of establishing a comprehensive manpower plan for the area. The five communities, as pointed out earlier, are very different in terms of their economic structure and the demographics of the potential CETA client population. There is, however, a commonality among the cities, as noted earlier. The CAMPS operation was founded in an air of confusion and strife with the Department of

of Labor in that their original CAMPS plan did not integrate well into the rest of the state plan. EMHRDA is headquartered in the Cambridge City Hall with each community represented on the Board of Directors and offices located within each of the communities. The Board is appointed by the chief elected official from each town. Initial formulation of the MPC came at the initiative of the Board although it immediately drew criticism from the RDOL for not having the appropriate business and client representatives. Its initial composition was the Board plus program operators associated with the previous categorical programs. In the intitial planning cycle the MPC had 40 members who, if they attended the meetings, gave pro forma approval to the recommendations of the Board. After the dispute with the RDOL over the makeup of the MPC, the first programmatic skirmish came when the Board insisted that the MPC only could be involved in the Title I program and not the PSE portion. After a series of letters and confrontations the Board agreed to allow the MPC to get involved in the PSE slots.

During the second year of planning the attendance at the MPC meetings was about one-third of the entire council, with those showing up usually having a specific stake in the problems or policies which were scheduled for discussion. The structure of the MPC was such that their was no real line of authority between the MPC and the Board of Directors or the staff of the CETA offices. The MPC has not been able to control either its budget, membership or staffing and was dubbed by the field researchers as a vacuous body. The program planning and evaluation, and structure and organization subcommittees did not take hold as they were completely dependent on the staff support offered reluctantly by the Board and the CETA staff. Little or no evaluation or monitoring was done in either of the first two years, due partially to inertia and the lack of any kind of operating MIS system. The staff director to the council resigned in 1975 and no one was hired to replace her until much later on. This was due to a controversy about the chosen person's eligibility to be hired under the provisions governing the Title VI PSE slots. Much frustration was experienced by the MPC members when they saw the Board having almost full control (as the policy arms of the chief elected officials) and the MPC having little or no influence. The Board was also reluctant to fund the activities of the MPC from the regular

CETA budget. Our research report, completed after the planning round for the FY 1977, concluded that the linkages between the MPC and the EMHRDA units were not effective.

Planning for FY 1978 and changes during FY 1977 brought considerable changes in EMHRDA, due primarily to the staff person hired to provide good linkages between the MPC, Board of Directors, CETA offices and the RDOL. Since December 1976 the attendance at meetings and the level of discussion has improved considerably; however, there are still no evaluative services offered by the MPC. The present chairman of the MPC sees its role as a "place where people can come and scream when they have complaints." He then would take those complaints to the appropriate parties and see what could be done about them. The present chairman also urges the members to express their preferences and complaints in writing so that they can be considered beyond the moment they are being offered.

Although the MPC now seems to be moving in the direction of the spirit of the law as well as the letter, there are several problems remaining. First, there are still communication problems with the central staff and the Board. Secondly, there are still at this writing no really effective evaluation efforts going on, with little in the way of change after the plan has been filed with the Regional Office of the Department of Labor. The time requirements of the MPC members are a hindrance in that they are all full-time employees in manpower-related occupations and cannot attend the number of meetings which seem necessary to solve the incredible number of problems which have come up in this consortium. A positive note is the fact that a new director was recently hired for the whole consortium who appears to believe in the value and usefulness of the MPC and will likely aid in the continuing effort to make the EMHRDA council a valuable and effective piece of the CETA operation.

CETA Staff Planners

Before summarizing the findings on the MPCs, it is appropriate to briefly discuss the role and function of the staff planner(s) in the CETA operation. As pointed out earlier, the planner may be the most important person in the CETA operation. The director of the Prime Sponsor is

ultimately responsible for the decisions and the overall plans, but our experience shows that the director simply cannot devote the time and effort which would be necessary to carefully scrutinize the plan. The same, of course, holds true for the MPC members and other concerned parties. The planner must not only understand the labor market analysis and data available but must also be able to carefully integrate this information with the institutional and sociological constraints and priorities of the clients, program operators and political officials.

Over the three-year period of CETA implementation, we have observed multiple problems in reference to the planner(s) who report directly to the Prime Sponsor director. Turnover has been high in a position where continuity and experience are important. Often a good planner will be offered positions at other Prime Sponsors (or state subgrantees), while the less well-trained planners will stay in positions where their effectiveness has been minimal. In one case, we found that an effective planner who pushed for client and community inputs into the programmatic selection process, at the urging of the Regional DOL Field Representative, and for careful evaluations for adjustment of the programs, was dismissed because he pressed the political officials to adhere to the collective recommendations of the MPC and evaluation and monitoring results. In another case a planner simply "had" to resign after two frustrating years of being told the results of his heroic efforts would be adhered to, while he observed wholesale changes with no apparent justification. Further, both of these planners had connection with the MPCs, but at the same time were responsible for salary and promotion to the CETA director.

Another example will serve to clarify the problems of planners within CETA. After frustration with due dates and lack of staff support, the BoS contracted the planning function to a consulting firm (for the FY 1977 plan). This was done at considerable expense and resulted in a final document which was acceptable to the PDOL, but clearly not innovative or ground breaking. It also served to delay the needed independence and development of the planning staff within the Prime Sponsor. If aid is needed while the Prime Sponsor gears up to prepare their own plan, the aid should be provided by the RDOL, not high-priced consulting firms.

It is extremely difficult to recommend how the chief planning position within CETA can be made more commensurate in status and pay with its importance. Suffice to say that the planner should be positioned in the office of the director with high status and significant input into final programmatic decisions. The pay level should be commensurate with the importance of the job.

Summary of Section A

Neither the law nor the regulations clearly define the role of the MPCs or the AMPBs. The MPCs are only an advisory body and it is not possible for the MPCs to become effective discussion arenas if the decision and policies they recommend are not listened to by Prime Sponsors. Council members are usually either connected with or proponent of a certain program or are involved because they are community leaders or experts in the field. The former group can be expected to speak the loudest and most clear when the discussion turns to "their program." On the other hand, the interested parties who are not connected with a certain program become the most frustrated as the process of participating in MPC meetings and reading the information sent to them is time-consuming and often results in little, if any, changes in the overall programs and policies. Further, if there is no staff person directly responsible to the MPC members there will always be loyalty conflicts with the staff assigned to work with the council.

In order to prevent the frustration and make the MPCs viable and useful participants in the CETA processes, the following recommendations should be considered:

(1) Make the councils financially independent with a certain portion of the Title I money. They would therefore be able to hire their own staff and clerical help. The staff person(s) must be objectively separated from the director of the Prime Sponsor.

(2) Expand the RDOL training sessions for MPC members and possibly provide financial incentives for members to participate.

(3) Requiring an MPC report on the overall plan with minority reports, if necessary, prior to submission to the DOL.

(4) Consider changing the regulations to all the MPCs to have veto power over the overall plan. This is clearly within the spirit of the CETA legislation as it will provide a check on whether the programs and policies are really responding to the needs of the community as perceived by a broad based group rather than the chief elected official(s) or their designated Prime Sponsor director.

The MPCs as presently operating are not totally effective bodies for injecting local input into the expenditure of CETA funds. They often are what the Prime Sponsor wants them to be and this may vary from issue to issue as well as from Prime Sponsor to Prime Sponsor. The solution to this problem is not easy or obvious, but the above recommendations should be seriously considered.

B. Labor Market Information and Utilization

The effective and efficient utilization of the limited resources available for employment and training programs relies, in part, on the availability of good data and the expertise of manpower planners to translate the data into useful information for planning and development. Occupational forecasting remains an inexact science. On the supply side of the labor market, we are able to gather reliable and complete information only once every ten years via the decennial census. Labor demand, on a micro level, is equally as difficult to produce within a short time frame.

Labor market information is generated by myriad public and private organizations, but is often incompatible across geographic boundaries, time spans and employer types. Ideally, CETA Prime Sponsors should pay attention to the geographical area beyond their official boundaries, although at the same time there is little incentive for them to plan for and place trainees, OJT participants, or apprentices in firms outside of their jurisdictions. Indeed, there are "turf" issues in CETA which may work against planning and placement by labor market area because the programs are run in accordance with political boundaries. This holds true on both an inter and intrastate basis.

There have been numerous guides produced by the DOL and other agencies connected with CETA on how to utilize the data available in formulating a

CETA planning document. However, structured schemes for labor market planning simply are not enough, since each firm or industry has its own way of recruiting and each person has his/her own way of looking for work and deciding on the appropriate training course and career plan. Thus, no matter how good the information available fits into the CETA plan, there is room (and definite need) for planners to become familiar with the present and potential employers within their jurisdiction.

The major resources available on the demand side of the labor market are the DES Job Bank employer surveys and projections. The Job Bank often suffers from a large proportion of low wage, high turnover jobs which often do not require specialized training. Further, only about 25-50 percent of the low and semi-skilled jobs are listed with the Job Bank even though there is a legal requirement that any firm with federal contracts list all its openings with the Job Bank. There are, however, no sanctions for noncompliance. Employer surveys often suffer from lack of knowledge and overoptimism on the part of the employers. Unless the employer surveys ask for specifics on connecting the training and OJT programs directly with the company, they are not of great use to the overall CETA plans. Projections may be useful, but are often flawed by erroneous assumptions and cannot take into account events which may occur (oil embargo, severity of recessions) and won't yield valid results for a labor market area unless a certain percentage of the jobs are within the jurisdiction. Further, it is extremely difficult to include accurate estimates on technological and productivity changes, especially for high technology industries such as electronics.

Resources on the supply side include the census, neighborhood surveys, DES data (ESARS) special surveys of U.I. recipients and projections on the number of individuals graduating from various training programs and licensing authorities. The census suffers from lack of detail and self-reported status while the DES data have good detail and classifications by DES experts, but do not address the issues of who will be available in the future (even 6 months ahead is difficult to assess). For example, in order to allow for planning, start-up and placement, a training program of 6 months duration must be initiated 12-18 months in advance of the projected need in the market. Further, there is little information available anywhere which assesses cross-occupational mobility which could be

accomplished with little or no additional training.

CETA contains language which mandates (with no sanctions or way to prove compliance) that the plan includes only training for jobs which are virtually guaranteed. Unfortunately the Prime Sponsors, due to time considerations and lack of good information, often fill the RDOL required forms with the data they feel are the "best" available. To remedy some of the problems, the State Office of Manpower Affairs has taken the lead, through the R and D unit, to lay out the available data and produce the aggregate assessment of state demand and supply, and to instruct the Prime Sponsors on how to incorporate good data into the plans. The procedures are well-integrated with the SMSC position of outstationing a technical agent with each of the Prime Sponsors to integrate the plans.

It is worth noting that two separate related efforts are underway which are related to the generation and utilization of labor market information. First, Professor Andrew Sum of Northeastern University has assembled a monograph for the RDOL entitled, "Labor Market Information from a User's Perspective: Data Inputs for CETA Planning Purposes," which is well laid out and contains an expanded list of data sources. It tells how to use the data. Second, Public Law 94-482 (Education Amendments of 1976) mandates that each state receiving funds establish an Occupational Information Coordinating Committee within the state. Massachusetts is well on the way of establishing this committee with one primary function being the generation of data on the supply side of the labor market. We look forward to its establishment and coordination with the already operating Massachusetts Occupational Information System funded by the Department of Labor.

The R and D unit of the SMSC has also argued for increased use of the program initiated under the SMSC whereby persons are trained in the skills outlined by a specific employer for a specific person. This scheme is similar to a "tailored voucher plan" where a prospective employee is given the "specifications" for the job skills and then finds (with CETA help) the appropriate training institution.

Beyond planning, the second area of most urgent and important data and information needs relates to the evaluation aspect of CETA's programs. Prime Sponsors do collect certain data to fill the RDOL requirements, but

very little beyond that. The long-run effect of the programs is difficult to assess even with all the appropriate data due to the overriding impact of the external environmental factors and the virtual nonexistence of a control group. However, the shorter term placement and earnings change data can be collected and utilized for assessment of the efficacy of one program versus another. This would be a valuable input into the planning change processes of CETA. However, once again, time constraints, lack of the development of an appropriate MIS, and lack of expertise has precluded in depth evaluations of the program impacts. (Section V discusses the evaluations that were carried out by a research assistant on our staff).

Macro-national type evaluations are the most advanced in terms of techniques and execution but most important to program planners on the local level are the localized evaluations. Yet these are the least advanced in Prime Sponsors within Massachusetts, for several reasons. First, even within the state the external environments are so different that comparison of the outcomes in one area with those in another may be entirely inappropriate. The problems in carrying out evaluations in local environments, again, are availability and reliability of the external environment data (industry mix, employment expansion, unemployment rates, literacy differences, etc.). Program and policy choices may vary among Prime Sponsors, say with one taking a short look, while another may want to emphasize the longer-run economic development aspects. Consequently, comparisons of outcomes will be useless in the short run. Secondly, the target groups served under CETA vary widely even within the state; it is not appropriate to compare the results of a program with "creamed" clients versus a program that has taken clients who were (are) worst off.

Finally, statewide evaluations rely on averages and aggregations, which often are inaccurately reflective of the program results and, at worst, may be misleading. For these and other reasons the concentration of evaluative efforts under CETA should be at the local level utilizing micro-economic data. In order to carry this through technical expertise coupled with a good evaluation design and execution is needed.

The SMSC has taken on the task of setting up the appropriate evaluations for the Prime Sponsors. The first step was a series of small grants to each

to tie in with an academic institution in the area to do a longitudinal evaluation of the classroom training programs operating in the Prime Sponsor's area. Not all have responded as yet, but the prototype (in Boston) is well underway.

In short, the lack of data comparable in timing and geographic scope has hindered the evaluative efforts of the Prime Sponsors. Further, technical expertise has been lacking. The R and D unit of the SMSC has appropriately taken the leadership role in addressing the evaluation and data problems. By initiating the classroom training evaluation across the whole state they will aid in the establishment of a corresponding client information data base; something that should have been done through a statewide MIS system, but has yet to be implemented.

The final major issue in reference to labor market information is the lack of any data collected for expressed use in the CETA program(s). We would recommend that if the Prime Sponsors are going to maintain the strict geographic boundaries for the clients served, that there be come concentrated effort to collect data comparable to their own areas, especially with regard to the employers in those areas.

5. PROGRAMMATIC CHOICES WITHIN PRIME SPONSORS

Prime Sponsors are offered wide programmatic latitude under the CETA law and regulations. This flexibility clearly is within the spirit of the legislation, as it allows the Prime Sponsors to adjust their programs to best fit the area needs, in their judgment. For example, within Title I they may elect to concentrate all resources on OJT programs with minimal emphasis on classroom training. Also, a Prime Sponsor may (and some have) transfer the Title II or VI funds to Title I type "training" programs rather than the PSE programs explicitly mentioned under the Title II and VI authorizations. These choices depend on a variety of criteria, such as the economic climate, previous successfully-operated programs, and the priorities of the employers, planners and politicians involved in the processes.

Alternatively, the overall funding levels offered to the Prime Sponsor are determined by a formula set up by the national office of the Department of Labor and are inflexible. The Secretary of Labor may utilize his discretionary funds for "makeup" purposes if the formulae, in his judgment, do not allocate the funds equitably. This tactic, however, is not often used and, in any case, the discretionary funds are not enough to make up for what has been described as a "redistribution to the suburbs" under CETA.

This chapter briefly discusses the issue of formula allocation and then details the programmatic choices made within the Prime Sponsors studied over the first years of CETA. Emphasis is given to FY 1975 and FY 1976 and, when available, information is supplied on FY 1977 choices. Data were obtained from the Prime Sponsor planning documents and the RDOL office.

A. Prime Sponsor Funding Formulas

It is somewhat ironic that the funding formula for CETA is determined by the national office of the Department of Labor according to a prescribed formula based on population, unemployment, and poverty within an area. This level then becomes the starting point in CETA planning, and it is the least flexible of all the CETA rules and regulations. Many have argued that the "new federalism" of the Nixon administration essentially redistributed the national monies from the central cities to the suburban rings, with about the

same percentage going to rural areas both before and after the passage of the legislation.

It was not unanticipated that the established formula would redistribute funds and as such the spokesmen for the central cities managed to attain a compromise in the formula which limited the reduction in funding to any one area to at least 90 percent of the previous year's allocation--the so-called "hold harmless" clause. This name is truly a misnomer, as no account was taken of the rate of change in the cost-of-living (and thus the cost-of-delivery services) and consequently the Prime Sponsors which qualified to have the "hold harmless" clause applied to them lost an amount up to 10 percent as well as an amount about equal to the change in the CPI. In Massachusetts this is best exemplified by the funding level changes applied to the city of Boston.

Prior to CETA, the categorical program operators, through CEP or CAMPS, would submit their "universe of need" and the DOL would them make allocations based on this need and the available funds. Further, with categorical program operators from the pre-CETA days firmly established within communities as the experts on the delivery of employment and training services, it was extremely difficult for those jurisdictions suffering a decline in funding levels to proceed with any new and innovative programs. Operators were scrambling to protect their previous funding levels and programs. Only the most optimistic expected established operators to drastically change and innovate under the first years of CETA. For those jurisdictions never before intricately involved in the manpower area, almost anything undertaken was by definition new and often called innovative.

The formula turned out to hurt the central cities even more than originally expected as the recession deepened in 1975. Considerable available evidence suggests that the impact of recession falls disproportionately on the poor. The maldistribution was however, corrected, to a certain extent, by the allocation formulae established for Title VI of CETA. Within the state we have a situation which mirrors the nation, since many of the suburban communities are quite wealthy when compared to Cambridge, Boston, Lowell, and New Bedford; yet they have been receiving allocations in excess of their relative level of need. Indeed, it has not been uncommon for several of the subgrantees within the Balance of State to use the media to

advertise that PSE jobs were available,[12] while at the same time Boston had to form a lottery because their application ratio for the "unskilled" PSE positions was running at least 70 to 1!

Complexity and paucity of data preclude a complete discussion of the funding formula for CETA, but the authors would like to express their impression that there is clearly a need for a national reassessment of the funding formula. It would be within the spirit of the legislation to allow the Prime Sponsor to apply for funding levels in the same manner they now apply for RDOL approval of the yearly plan.

Table 2 shows the total funds for each of the Prime Sponsors studied, with percentage figures for title allocations. The only substantial overall change was for the city of Boston in FY 1976, when the increased Title VI allocations raised their percentage of the five Prime Sponsor total funding from 18 to 21. The "economic stimulus package," available for FY 1977 and FY 1978, dramatically increased the Title II funding allocations for FY 1977, since one-quarter have been applied to that year's operations.

Over the three fiscal years the proportion of funds allocated to Title I programs declined, partially reflective of the increasing allocations for PSE positions under Title II and VI, as well as the difficulty experienced in placing persons in OJT slots or jobs after classroom training during the severe recession year of FY 1975. Title II funds also declined as a percentage of total funds, but Title VI grew each year within each Prime Sponsor--almost a 40 percent increases over the period.

The absolute dollar allocations have changed substantially for some Titles and Prime Sponsors. For example, Title I funds for the Balance of State remained constant in FY 1975-1976, but increased by about 50 percent for FY 1977. New Bedford has a 20 percent Title I increase in FY 1977. At the same time the Title I funds have remained constant or showed only a moderate increase for Boston, Cambridge, Lowell and New Bedford. For Title II we found that there was a drop in FY 1976 and then a reasonable sharp

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[12] As an example, the following advertisement ran in several weekly papers in southeastern Massachusetts in July 1977: "Out of Work? Call CETA JOB HOTLINE! Toll free (number given) You May Be Eligible."

TABLE 2

Allocated Funds, Five Massachusetts Prime Sponsors
FY75, 76, 77, by Percentage of Total and Percent
Allocation by Title

	FY75	% of Total	FY76	% of Total	FY77*	% of Total
BoS	$60,759,500	66%	$60,418,000	67%	$101,653,500	68%
Title I	34%		34%		31%	
Title II	22%		12%		13%	
Title VI	44%		54%		56%	
Boston	$16,229,300	18%	$19,226,600	21%	$ 24,031,800	16%
Title I	46%		41%		32%	
Title II	19%		13%		13%	
Title VI	35%		46%		55%	
Cambridge	$ 5,580,200	6%	$ 6,778,600	8%	$ 9,580,100	6%
Title I	36%		31%		27%	
Title II	22%		15%		14%	
Title VI	42%		54%		59%	
Lowell	$ 4,983,100	5%	$ 5,157,000	6%	$ 7,759,900	5%
Title I	37%		39%		29%	
Title II	19%		12%		14%	
Title VI	44%		49%		57%	
New Bedford	$ 4,468,400	5%	4,746,600	5%	$ 7,041,700	5%
Title I	41%		38%		29%	
Title II	17%		11%		13%	
Title VI	42%		51%		58%	
TOTAL	$92,020,500	100%	$89,548,200	100%	$150,067,000	100%

*Includes 1/4 of "Economic Stimulus" Package appropriated and signed by President Carter in May 1977.

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jump in FY 1977, due to the economic stimulus package. As expected, Title VI allocations increased dramatically over the period, with the largest rise coming in FY 1977 with Boston, Cambridge, and New Bedford getting almost twice their FY 1975 allocations.

It is difficult to obtain an accurate estimate of the extent to which the CETA program is addressing the needs of the community. Definitional and measurement problems plague the defense of summary statistics on the "universe of need" in an area. Further, the title of a program can be misleading in terms of the content of the program. However, if appropriate caveats are applied, the universe of need, as identified by the Prime Sponsor, can be compared with the number of clients served to obtain a rough estimate of the extent of coverage of the CETA program.

In order to make this estimate we have assembled the available information for FY 1976 for all of the Prime Sponsors under study except the BoS.[13] (The assembling of a single "Universe of Need" number has been discontinued for the FY 1977 and FY 1978 plans.) The numbers shown in Table 3 for the clients served include clients for the "transitional quarter," while the universe of need identified was for the four-quarter period. This will bias the percentage figures upward for the year and therefore should not be compared with percentage served in other Prime Sponsors unless adjustment is made for the time differences. It should also be pointed out that the number served with reference to Title I will include clients who were offered placement services without any training or OJT experience in the program.

Overall, within the Commonwealth the universe of need represented 16 percent of the total population. This percentage varied widely from place to place, with Boston showing the highest figure at 25 percent and the BoS, combined with the Massachusetts Prime Sponsors not studied (Brockton, Springfield, and Worcester), the lowest at 14 percent. As a rough measure of the ability of the Prime Sponsors to address the needs of the community, we computed an index by dividing the number of persons served in FY 1976 by the universe of need in the same year. Boston had the lowest service rate, serving only 9.8 percent of the universe of need while EMHRDA was able to serve over 13 percent of its universe of need. The numbers presented in

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[13] We were unable to obtain a single "universe of need" figure for the BoS.

TABLE 3

Universe of Need as a % of Population and Number Served as a % of the Universe of Need, FY76

Prime Sponsor	Population	Universe of Need	Universe as a % of pop.	Number Served			Number as a % of Universe
Boston	641,071	160,960	25%	Title I	12,324	(78%)	9.8%
				II	1,394	(19)	
				VI	2,097	(13)	
				Total	15,815	(100)	
EMHRDA	310,256	53,960	17%	Title I	5,557	(77%)	
				II	833	(12)	13.4%
				VI	813	(11)	
					7,203	(100)	
Lowell	214,152	37,184	17%	Title I	3,439	(72%)	
				II	715	(15)	12.8%
				VI	609	(13)	
				Total	4,763	(100)	
New Bedford	165,904	33,900	20%	Title I	2,525	(64%)	
				II	768	(19)	11.7%
				VI	684	(17)	
				Total	3,969	(100)	
Balance of State	3,375,550	N.A.		Title I	18,156	(45%)	
				II	9,573	(24)	N.A.
				VI	12,167	(31)	
				Total	39,896	(100)	
Brockton	202,986	619,662	14%				
Springfield	459,050 (not						
Worcester	303,128 studied)						
Commonwealth of Massachusetts	5,673,194	905,606	16%	N.A.			

Sources:
Anne Howe, "FY76 Comprehensive Manpower Plan, Title I" p. 81
Mass DES
"Grant Application FY76" for Lowell and New Bedford, CETA Program Status Summary
W. Suojanen, "The Implementation of CETA in Massachusetts: The Case of Some Local Prime Sponsors," p. 10.

Tables 2 and 3 give a strong indication that the neediest Prime Sponsors are not able to offer services to as large a percentage of their potential clients as are some of the less needy Prime Sponsors.

Examination of the clients served among the various titles shows that the largest concentration is in Title I programs is within the City of Boston, where we found that 78 percent of the total clients were involved. This contrasts with the BoS, with only 45 percent of the total clients served in Title I programs and the highest percentage served in Titles II and VI. The BoS figures may well reflect a PSE preference of the more rural areas of the BoS or less need (or opportunities) for "training" type programs within the subgrantee areas.

The most important fact here is that even with the increased allocation for FY 1977 and FY 1978, we cannot expect the CETA program to "get to" a significant portion of those identified as part of the universe of need. Even with a doubling of funds, the Prime Sponsor which "performed" the best in percentage of universe of need served (EMHRDA) would be only able to serve one in four. The fact that such a small percentage of those in need are served is related to several different facets of the program. The amount of funds available, definitional problems in identifying those "in need," and the type of length of programs can all have an impact on the resultant comparative numbers.

Some of the confusion, charges and countercharges concerning the equity of the allocation formulae utilized by the Department of Labor should be eliminated. Standardized indexes of the "universe of need" and its component parts should be developed, and experimentation conducted on the impact of different formulae on the ability of a Prime Sponsor to penetrate the lone queue of those who could benefit from its programs and services.

The next section illustrates the programmatic choices made by the Prime Sponsors and how they evolved over three years.

B. Prime Sponsor Program Choices

An important part of the "independence" of the Prime Sponsors is the fact that they can select the type of program that best suits the needs of their economic climate and clients. Many predicted that with the elimination of most of the categorical programs there would be a realignment of

programs on the local level. Unfortunately, as noted earlier, we were unable to obtain comparable information for most of the present Prime Sponsors prior to CETA. Thus, our analysis centers on changes which occurred after CETA. This still offers an illustration of the program adjustments made over the first three years of CETA. Table 4 offers a breakdown of the funds and percentage of total funds allocated for Title I programs for each Prime Sponsor over the three years studied.

Since the recession hit hardest during FY 1975 and FY 1976, we would expect certain programmatic changes to occur within the Prime Sponsors. First, with the job expansion slowing or stagnant, we would expect a greater reliance on programs which serve as a "holding vat" for clients--e.g. classroom training programs of a longer duration, hopefully in areas expected to expand as the recession ends, and variations of the Public Service Employment (PSE) programs. Second, we would expect a decrease in OJT programs as employers already laying off would be reluctant to take on new responsibilities. In addition, the provision of "other services" might be expected to expand under poor economic conditions.

Before discussing the programmatic variance illustrated in Table 4 for each Prime Sponsor, it should be pointed out that Table 2 represents the allocations, while Table 4 presents the actual expenditures. The difference was accounted for by the Prime Sponsors shifting of money from one title to another, as well as some reporting and accounting idiosyncrasies.

The BoS showed the most dependency on programs called work experience (WE) and PSE under Title I. The programmatic choices, at least in FY 1975, represent the BoS's attempt to circumvent some of the problemmatic areas which emerged in identifying and approving positions for the Title VI allocations. Some of the Title VI funds were transferred to Title I so as to obtain the 20 percent administrative allocations (10 percent under Title VI) as well as sidestep some of the bureaucratic and political problems of the scores of cities and towns under its aegis. Work Experience represented 70 percent of Title I expenditures and PSE another 5 percent. In FY 1976, we saw a shift of some of the WE slots to PSE slots and a further drop in reliance on these two programs for FY 1977. The initial emphasis reflects both the need for speedy implementation and the incompatibility of the economic climate with OJT. Classroom training shows an increase in FY 1977,

TABLE 4

Actual Funds Spent on Title I Programs (Sources noted on second page of table)

	FY75		FY76		FY77	
Balance of State (BoS)						
CT	$1,101,000	12%	$4,249,300	13%	$6,551,200	20%
OJT	761,000	8	2,340,000	7	3,813,700	13
WE	6,200,000	70	17,226,100	53	13,245,600	45
PSE	448,000	5	7,593,600	23	3,382,700	11.5
Other Services	397,000	4	1,289,900	4	2,196,200	7.5
TOTAL	8,967,000		32,699,100		29,189,600	
EMHRDA						
CT	278,800	13	1,113,200	33	954,154	33
OJT	64,300	3	202,400	6	549,300	19
WE	1,115,400	52	1,281,900	38	665,000	23
Other Services	664,900	31	742,100	22	722,800	25
TOTAL	2,145,000		3,373,400		2,891,300	
New Bedford						
CT	510,000	31.7	438,200	28.3	181,400	9.2
OJT	474,000	29.4	197,600	12.7	160,400	8.1
WE	580,200	36	611,000	39.4	1,145,000	57.7
Other	44,600	2.8	149,500	9.7	285,000	14.4
TOTAL	1,608,800		1,396,300		1,771,800	
Lowell						
CT	786,000	55.3	705,700	39.4	940.900	48.1
OJT	334,700	23.6	685,900	38.3	580,500	20.7
WE	300.600m	21.1	261,000	14.6	261,700	13.4
OTHER			25,000	1.4	87,181	4.4
TOTAL	1,421,400		1,677,700		1,870,400	

TABLE 4

Actual Funds Spent on Title I Programs
(CONTINUED)

Boston	FY76		FY77	
CT	$3,415,792	49%	[illegible],232,181	44%
OJT	749,804	11	[illegible],804	7
WE	1,025,912	15	1,025,912	20
Other	1,747,724	25	1,409,623	28

Sources: Northeastern Report, p. 36 (Boston)
Suojanen, p. 50 - CETA, In Massachusetts, The Case of Some Local Prime Sponsors (New Bedford)
Dickinson "CETA, Its First Year in Lowell" Unpublished, IR, MIT, June 1975 (Lowell)
EMHRDA - uncited sources in Newhouse thesis, 1977.
BoS - Quarterly Report to RDOL

representing a maturity of the program, especially in terms of planning and forecasting openings, as well as better cooperation of the BoS subgrantees and the local vocational and technical education schools. Further, the "other services" offered have shown a steady increase in percentage of funds, partially a result of more cooperation and mergers with local social service and placement agencies.

In short, although the BoS still has a heavy emphasis on WE (45 percent in FY 1977), there is evidence that the Title I program mix is changing with the development and sophistication of the subgrantees and the improving economic climate.

EMHRDA also had a heavy reliance of WE programs in the first year (FY 1975) but this tapered off in the second and third years dropping from 52 percent in FY 1975 to only 23 percent in FY 1977. The emphasis has shifted to more CT and OJT programs. Other services received much attention in EMHRDA in FY 1975, mostly due to agreements with social and placement service agencies, but this has tapered off by FY 1977. EMHRDA, as the BoS, appears to have settled and matured in their programmatic emphasis over the three years of CETA.

New Bedford shows almost the complete opposite of the BoS and EMHRDA. In FY 1975 there was an almost even split among CT, OJT, and WE, but by FY 1977 emphasis has shifted heavily to WE and "other services," while CT and OJT have dropped to 9 and 8 percent of the funds respectively. This is curious, as the economic climate over this period has improved and the planning and special forecasting done for this consortium would have led one to predict greater reliance on CT and OJT. Clearly, a participant can gain some benefits from a work experience program, but often these are simply low-skill PSE positions with no formal training component. As such they should not be the mainstay of the Title I efforts.

Lowell, as discussed in the section planning activities, has shown an ability to adjust its program emphasis in response to MPC and community recommendations. This is shown in the drop in emphasis on CT and an increase on OJT for FY 1976. FY 1977 brought back emphasis on CT because of the lack of available slots for OJT programs. Further, Lowell has dropped its original 21 percent WE emphasis to 13 percent by FY 1977; a similar change has

occurred in reference to the "other services" funded. Lowell, like the BoS and EMHRDA, has shown an ability to adjust its program over years in response to changing economic conditions and policy advisors' recommendations.

Boston has retained its heavy emphasis on classroom training and other supportive services. It has not followed the other Prime Sponsors in their heavy reliance on WE and PSE, and at the same time Boston has shown a small proportion of funds expended for OJT programs. Established programs and operators as well as a well-developed social service network are the major forces behind the very slow change in Boston. The Boston administrators say that there is little reason to change programs that they perceive have been well-run and efficient. We agree.

Comparison of the program mix under Title I of the Prime Sponsors in Massachusetts with figures available for the nation for FY 1975 reveals that the differences within the various Prime Sponsor structures are really not unusual.[14] The BoS Prime Sponsor across the country relied, on average, more on work experience programs and less on classroom training and OJT than did their city and consortium counterparts. Further, the city and consortium Prime Sponsors gave more emphasis to "other services" than did the more rural BoS and county Prime Sponsors. Again this was mirrored in Massachusetts. These programmatic priorities are the result of both the types of clients and labor markets in the less urban areas as well as the programs and "service" institutions that were already in place in the large cities and which continued operation on their own momentum even after CETA. Unfortunately, we do not have the national data for any time after FY 1975, so that we are unable to compare the program emphasis changes within Massachusetts with those that occurred across the nation.

In summary, it is fair to say that the Prime Sponsors were not highly prone to stay with the program mix of the previous year. They did change emphasis, sometimes because of better administration and time to adjust, and others because of real or perceived changes in the labor market(s) or clients' needs. Indeed, the spirit of CETA turns on the ability of the localities to

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[14] William Mirengoff and Lester Rindler, The Comprehensive Employment and Training Act: Impact on People, Places, and Programs, National Academy of Sciences, 1976, p. 124.

better perceive the changing needs of the local economy and client groups and to adjust the programs accordingly. It is however, unfortunate that some of the adjusting and shifting of funds from title to title results from differing rules regarding clients and administrative monies, rather than issues of substance within the programs and their goals.

6. PRIME SPONSOR PERFORMANCE AND CLIENTS

Virtually everyone who enters a CETA office to ask for help of any type should be able to obtain it either through the direct offering of employment and/or training services, or by referral to another agency or program if the CETA contact is inappropriate. Although guidelines are offered in the CETA legislation and regulations as to whom should be served and how, they are "loose" enough so that we would expect variance among Prime Sponsors. This is somewhat ironic in that the strongest mandate given by Congress to the Department of Labor is specifically in reference to monitoring Prime Sponsors to insure that the appropriate cohorts receive the necessarily limited training and employment services.

The RDOL, taking its Congressionally-mandate monitoring role very seriously, has constructed a series of short-term performance indicators and other data collection forms. The reporting forms and indicators must be quantitatively-oriented for aggregation and reporting purposes. At the same time the "looseness" of the definitions for "disadvantaged" and other target groups, coupled with extenuating environmental circumstances, has led to conflict and confusion. Prime Sponsors object to having their "performance" graded on the basis of one or two numbers which may not even be appropriate for their particular situation, while the RDOL must collect assessment data.

In this chapter the first section presents a few of the short-term performance indicators and discusses their use. The second section offers information on client characteristics over the three-year period, while the last section presents the results of our data-collection effort undertaken to obtain information on the clients who were enrolled in Title I type programs before CETA with comparable information for participants in Title I programs after CETA.

A. Performance Indicators

It is appropriate to begin this section with an extreme but relevant quotation from Sir Josiah Strong:

> Public Agencies are very keen on assessing statistics -- they collect them, add them, raise them to the nth power,

> take the cube root and prepare wonderful diagrams. But what you must never forget is that every one of those figures comes in the first instance from the village watchman, who just puts down what he damn pleases.[15]

As we discussed in Chapter III on the relationship of the Prime Sponsors to the RDOL, there is great pressure on the Prime Sponsors to "perform" in a manner that will please the RDOL. The major method whereby the RDOL "grades" the Prime Sponsors is through the use of short-term performance indicators. There are a great many problems with the performance indicators developed by the RDOL, not the least of which is simple timing and reporting requirements. Also, the "indicators" themselves have limitations.

For example, an indicator called "cost per placement" cannot be appropriately compared across Prime Sponsors, as one may be "creaming" clients and another serving the most disadvantaged. Further, the same "cost per placement" figure tells nothing about the length of time the "placed " person remained on the job, nor does it offer any hint of the fate of fellow participants who were not placed. The latter may have returned to formal schooling or gone on to another program--outcomes which are not necessarily negative. Finally, comparison of the "cost per placement" across local Prime Sponsors, the state, region or nation is inappropriate, since economic conditions, comprehensiveness of support services and the like may differ drastically. These three obvious limitations of one of the most widely-quoted short-term performance indicators illustrate that it, at best, should only be utilized as a "flag" to point out areas where attention might be needed, and not be offered as evidence of a good or poor program. To a certain extent, all of the short-term performance indicators suffer from definitional and contextual limitations.

The Department of Labor in a field memorandum (No. 145-77, February 2, 1977) has formally stated that it recognized that the indicators "are not designed to meet the detailed needs of local program management or the longer range needs of program evaluators." Work has already begun in Region 1 to develop a new set of indicators which will allow for more reliable, meaningful, and comparable statistics.

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[15] Quoted in Thomas H. Wonnacott and Ronald J. Wonnacott, Introductory Statistics for Business and Finance, New York, John Wiley and Sons, Inc., 1972, p. 397.

Since the new RDOL performance indicators are not as yet fully developed and operational, we provide Table 5 to illustrate several examples of performance indicators publicized for the Prime Sponsors we studied, and then briefly discuss the indicators publicized for one of them. All of the data in Table 5 describe the second quarter of FY 1977 and were supplied by the RDOL. After investigation through interviews with several persons involved in the assembling and interpreting these data we concluded that, as constructed, they did not provide the basis for a meaningful dialogue about the CETA program. By way of illustration, the following exchange is given. Although it does not represent a verbatim interview, the substance is accurately represented.

Question: How come the BoS has such a high cost for each direct and indirect placement, the lowest planned versus actual figure for those who entered employment and the highest non-positive termination rate?

Answer: It's obvious. We concentrate on the severely disadvantaged persons more so than the other Prime Sponsors. Also, we have many "in-school" youth in our Title I programs and they are not meant to be placed, but yet enter into the cost per placement figure. And we are optimistic in our plans. We set our goals very high in hopes of meeting them, and not low so as to get a "good" planned vs. actual figure.

Question: How do you account for the high percentage wage change of clients placed in work and your low administrative percentage?

Answer: We are efficient in our service to those who were most disadvantaged.

The brief discussion above should not be construed as an apology for the BoS "indicators," but rather be valued only as an illustration of the difficulty of interpreting and utilizing the myriad performance indicators prepared for each and every Prime Sponsor for each fiscal quarter. A strong recommendation must be made to both standardize and simplify the performance indicators demanded and utilized. They can be valuable to "flag" areas where attention is needed, but should not be used to evaluate the effectiveness of either client services or program management.

The data collected by the RDOL on client characteristics suffers less from definitional and contextual problems than the short-term indicators discussed above. Some of these data are presented and discussed in the

TABLE 5

Performance Indicators, Four Prime Sponsors
2nd Quarter FY77

	Entered Employment as % of total terminations		Total Entered Employment			Cost Per Entered Employment	Direct Placement Rate (Actual)	Indirect Placement Rate (Actual)	Total Placements			Cost Per Indirect placement
	Planned	Actual	Planned	Actual	Actual as % of Planned				Planned	Actual	Actual as % of Planned	
BoS	86%	76%	1,406	979	69%	$11,104	18%	64%	904	624	69%	$17,422
EMHRDA	73%	70%	1,017	945	93%	1,657	26%	55%	557	524	94%	$ 2,989
Lowell	39%	48%	355	356	100%	2,800	15%	65%	240	233	97%	$ 4,278
New Bedford		48%	170	139	82%	6,555	1%	69%	141	96	68%	$ 9,490

	Administrative Cost Rate	Cumulative Number of Individuals Served			Non-Positive Termination Rate	Other Positive Termination Rate	% Median Wage Gain
		Planned	Actual	Actual as % of Planned			
BoS	17%	953	10,012	105%	41%	31%	14%
EMHRDA	19%	2,810	3,119	111%	18%	12%	14%
Lowell	20%	1,628	1,547	95%	30%	22%	5%
New Bedford	19%	730	715	98%	29%	23%	3%

Source: Data Supplied By RDOL

following section.

B. The Participants in CETA Programs

Examination of the client characteristics for the three-year period revealed that there were very few instances of extreme changes in client groups served in any of the Prime Sponsors. The widest variance was evident when the third quarter FY 1975 figures were contrasted with the most recently available figures for the second quarter of FY 1977. Table 6 provides percentage data for "disadvantaged," minorities and females. The reader should keep in mind that the categories are not mutually exclusive. Over the period, the BoS has increased its emphasis on the disadvantaged for all Titles and the same is true for EMHRDA. Lowell, on the other hand, has an inexplicably very large decline in its percentage of disadvantaged persons in Title I programs and an equally dramatic increase for Title II; New Bedford mirrors the Lowell description. EMHRDA remained the most consistent over the three-year period in serving the disadvantaged. More often than not the data show that there has been a de-emphasis of female participants. The change is illustrated in EMHRDA where the percentage of women enrolled and employed was halved over the two-year period. In reference to minorities there is no pattern to the changes except that in all cases the percentage served is higher than the percentage of minorities within the employed population of the Prime Sponsor.

It is difficult to discern whether the observed changes in percentages served are the result of definitional changes, improvement in the economic climate over the period, or policy alterations by the Prime Sponsor.

In order to obtain a comparison with the client groups served within the Prime Sponsors studied, the region and nation, we assembled client group information for FY 1976, the latest year for which we could obtain complete data (See Table 7).

In terms of women, the data show that, except for Boston's Title I, the Prime Sponsors studied are not offering as much as the national average. This is particularly surprising since Massachusetts has the highest female labor force participation rate of any state in the country. On the other hand, the figures for "disadvantaged" persons show a greater concentration

TABLE 6

Participant Characteristics by Title for 3rd Quarter FY75 and 2nd Quarter FY77

	Disadvantaged				Black & Spanish				Women			
	FY75		FY77		FY75		FY77		FY75		FY77	
	% Enrollment	% Employment	% Enr.	% Emp.	% Enr.	% Emp.	% Enr.	% Emp.	% Enr.	% Emp.	% Enr.	% Emp.
BoS												
Title I	86%	71%	91%	84%	13%	17%	7%	21%	50%	53%	29%	34%
Title II	66	56	94	89	7	3	13	13	30	16	42	35
Title VI	49	38	90	0	5	7	9	7	28	21	30	32
Boston												
Title I	99	99	87	74	53	61	60	57	48	47	48	43
Title II	40	92	N.A.		30	58	N.A.		28	54	N.A.	
Title VI	39	100	N.A.		20	0	N.A.		23	0	N.A.	
EMHRDA												
Title I	67	60	85	62	13	13	10	6	40	42	21	23
Title II	50	100	69	61	9	0	23	15	35	0	45	45
Title VI	67	42	67	73	57	17	10	18	21	17	37	34
Lowell												
Title I	82	100	40	44	12	9	4	0	37	29	33	38
Title II	18	17	83	80	10	0	23	27	45	63	39	34
Title VI	N.A.		42	47	N.A.		3	6	N.A.		37	34
New Bedford												
Title I	90	75	65	38	16	10	6	7	51	60	34	46
Title II	49	47	88	84	10	0	11	13	23	37	43	34
Title VI	N.A.		45	28	N.A.		6	8	N.A.		30	35

Source: RDOL data

TABLE 7

Participant Characteristics for FY76 (Four Quarters) for Prime Sponsors, The Region and the Nation

	Disadvantaged		Black & Spanish		Females	
	% Enrolled	% Employed	% Enrolled	% Employed	% Enrolled	% Employed
National						
Title I	75	67	50	43	45	45
Title II	46	43	40	27	36	37
Title VI	44	37	32	25	34	32
Total	66	61	45	39	42	41
Region I						
Title I	81	79	35	33	43	41
Title II	61	63	10	6	32	36
Title VI	57	53	10	6	30	32
Total	72	73	24	25	38	39
BoS						
Title I	79	62	12	13	42	40
Title II	70	62	7	5	30	36
Title VI	65	64	6	5	28	32
Total	73	63	9	9	35	36
Boston						
Title I	98	99	54	49	48	47
Title II	49	41	26	16	24	13
Title VI	46	33	26	9	25	28
Total	85	98	47	48	41	47

(CONTINUED)

Table 7
(Continued)

Participant Characteristics for FY76 (Four Quarters) For Prime Sponsors, The Region and the Nation

	Disadvantaged		Black & Spanish		Females	
	% Enrolled	% Employed	% Enrolled	% Employed	% Enrolled	% Employed
Cambridge						
Title I	-	-	-	-	-	-
Title II	57	51	10	28	33	50
Title VI	85	62	10	6	21	23
Total	73	59	10	13	26	31
Lowell						
Title I	88	90	32	41	34	32
Title II	54	55	3	10	31	26
Title VI	63	38	0	3	31	27
Total	79	85	23	37	33	32
New Bedford						
Title I	48	38	5	4	29	31
Title II	83	84	16	15	41	43
Title VI	37	53	8	12	29	40
Total	63	70	11	12	35	39

Source: Performance Indicators, New England Region, Transitional Quarter FY76

in the Massachusetts Prime Sponsors and Region I than do the same figures for the nation. The numbers in references to minority groups must be put into perspective as the only Prime Sponsor within the Commonwealth that has a substantial proportion of minority population (Boston) is doing very well compared to the nation. The remainder of the Massachusetts Prime Sponsors studied are, given the percentages of minorities in their population, serving these groups well.

In sum, it is fair to say that, gauged against the national and regional averages, the Massachusetts Prime Sponsors studied have performed well in serving the disadvantaged and minority populations, although they did not perform quite as well in reference to women. The most important questions which arise out of the data discussed above center on the percentage of disadvantaged clients served under all titles. It is understandable that the nationwide percentage of persons hired under Title VI who qualified as disadvantaged was only 44 percent (much higher in the Massachusetts Prime Sponsors), as this PSE program is specifically designed as a countercyclical employment program and only secondarily targeted to the disadvantaged worker. However, it is puzzling to discern why the percentages of disadvantaged persons served under Titles I and II do not approach 100. These programs are expressly designed and funded to aid this group. One in four nationwide Title I slots and over one-half Title II slots go to a non-disadvantaged person. This issue must be addressed by both local and national policy makers. With the limited funds and over demand for participation in CETA, there is no defensible explanation for offering such a large proportion of its Title I and II programs and services to persons who have a decent chance of achieving a labor market success without it.

C. Pre-CETA and Post-CETA Participants

In order to find out, among other things, whether the client groups and pre- and post-training wages differed in the programs run prior to the implementation of CETA as compared with those under CETA, two of our research assistants collected data from Lowell, New Bedford, and Brockton for the

Title I type training programs for before and after CETA.[16,17] In addition, utilization of the Management Information System from the BoS enabled us to supplement the post-CETA data on Title I participants. No sampling was attempted; rather the universe of program participants for which data were available are included in the analysis. Data for the pre-CETA period were collected for 1,190 persons and there are 5,721 clients in the post-CETA cohort -- a total of 6,911. A breakdown of the sample by pre and post-CETA with termination status is presented in Table 8 below.

Table 8

Termination Status	Pre-CETA	Phase	Post-CETA	Phase	Total	
Entered Employment	704	59%	1680	29%	2384	34%
Other Positive	0		385	7%	385	6%
Non-Positive	486	41%	3656	64%	4142	60%
Totals	1190	100%	5721	100%	6911	100%

Personal characteristics, work experience records and manpower training information was collected for as many of the participants as possible. One measure of the effectiveness of the pre- and post-CETA training was approximated by three standards: (1) the first post-training wage rate; (2) the absolute wage difference between the last pre-training wage and the first post-training wage; and (3) the percentage difference between the pre-and post-training wages. Table 9 presents a detailed breakdown of the pre- and post-training wage rates earned by the participants both before and after

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[16]The full results of the analysis are presented in William Suojanen, CETA Title I Manpower Programs in Four Massachusetts Prime Sponsors: Issues in Their Implementation and An Evaluation of Their Effectiveness Compared With Pre-CETA Programs, Ph.D. Dissertation, Sloan School of Management, M.I.T., August 1977. Suojanen worked on this analysis with Ethan M. Jacks, a Master's candidate.

[17]Brockton was, at the beginning of our study, one of the subgrantees within the BoS Prime Sponsor. In 1976 it separated and became its own Prime Sponsor. Within the city, prior to CETA, programs were run under a CAMPS framework and the data were collected from existing records.

TABLE 9

Pre and Post Training Wage Differentials in the Pre and Post CETA Period
(Lowell, New Bedford, Brockton, and BoS)

	Pre-CETA Period		Post-CETA Period		Percent Wage Change[1]	
	Pre-Training	Post-Training	Pre-Training	Post-Training	Pre-CETA	Post-CETA
Sex:						
Male	$2.31	$2.33	$3.29	$3.72	21.8%	25.1%
Female	1.76	1.90	2.39	2.92	18.1	30.4
Ethnic Group:						
White	2.20	2.17	3.00	3.48	20.8	26.8
Non-White	1.88	2.06	2.83	3.29	19.5	27.6
Welfare Recipients:						
Yes	1.94	2.05	2.58	3.08	18.5	30.4
No	2.12	2.14	3.09	3.54	20.6	26.1
Unemployment Insurance:						
Yes	3.39	3.40	3.58	3.87	42.7	16.0
No	2.38	2.70	2.74	3.36	41.3	34.2
Previous Work Experience:						
less than 1 year	2.20	2.36	2.37	2.90	24.2	31.0
1-2 years	2.12	2.69	2.07	3.22	41.0	63.9
3-9 years	2.52	2.76	2.22	3.45	41.2	72.1
10 years or more	3.09	2.95	2.42	3.23	44.9	42.6
Previous Manpower Training:						
Yes	1.91	2.01	2.74	3.18	15.5	24.4
No	2.53	2.73	3.06	3.55	42.1	28.0
Training Program:						
CT	2.13	2.07	2.77	3.21	16.7	25.2
OJT	1.85	2.98	3.30	3.80	62.7	28.8
WE	1.80	2.02	2.60	2.87	18.6	23.8

[1]The Percent Wage changes are NOT the % changes between the average pre and post training wages, but rather an average of the % change in wages across individuals for whom both wages have been recorded.

CETA by program type, socio-economic characteristics, and work experience measures.

It should be emphasized that the purpose of this analysis was not to determine whether the training itself made a difference in the wage rate the trainee was able to demand, but rather to gain a better understanding of whether the programs operated before CETA were significantly different from those run in the post-CETA period. The reader should keep in mind several caveats. First, in a way this is a "straw man" in that some of the pre-CETA programs remained the same in the post-CETA era. Secondly, there is the question of wage drift over the 1970-76 period covered and, consequently, single wage comparisons over the period are not very useful. On the other hand, most of the training programs lasted 25 weeks or less, and within this time span (pre-training to post-training wages) there is little chance that general wage increases would have had a significant impact.

With a few exceptions, the post-CETA hourly wage changes were, percentagewise, greater than in the pre-CETA period. In general the lower the wage a person had prior to training, in both pre- and post-CETA periods, the greater was the percentage increase in wages. Also, the programs, in both periods, were more effective for those who had more than one but less than 10 years of work experience, e.g., the young and the older cohorts showed the smallest percentage change in wages after the programs.

Program type showed differences in wage rate changes, with the OJT programs resulting in the highest percentage increases both before and after CETA.

The sex breakdown shows that men experienced a slightly higher percentage wage increase than did women in the pre-CETA programs, while the reverse is true in the post-CETA era. The small differences for white and non-white changed from the whites gaining more before CETA to the minorities showing a bit higher percentage of increase after CETA. The non-whites did, however, start from a lower pre-training wage base.

Further breakdowns of the client characteristics by whether they were in pre- or post-CETA programs reveals interesting information on the changes in groups served in the two periods. Space precludes inclusions of the

constructed tables, but a brief discussion will be useful.

A series of Chi Square tests were applied to the individual characteristic and programmatic data for clients before and after CETA to test for differences in the two periods. The following summary list offers the major conclusions found for differences in client characteristics in the two periods, all statistically significant at the .05 level. Note that there was not a category called "other positive terminations" (See Table 7) for the pre-CETA period. Thus, the comparisons refer only to those clients who fit into the "non-positive" and "entered employment" categories. Furthermore, they refer only to Title I programs, not to PSE.

1. Pre-CETA programs enrolled a higher proportion of women and non-whites than did post-CETA programs. This is partially due to the inclusion of the BoS only in the post-CETA data. The BoS has a very small (less than 2 percent) non-white population.

2. Educational level was, on average, about one year less for those in the pre-CETA programs.

3. More veterans and married persons were enrolled in the pre-CETA programs.

4. Post-CETA programs enrolled more economically-disadvantaged persons, welfare and unemployment insurance recipients, and more low-income persons than did the pre-CETA programs. This, of course, is partially related to the changes in unemployment insurance eligibility rules as well as to the economic climate in the post-CETA era.

5. The post-CETA enrollees had undergone a considerably longer period of unemployment than did their pre-CETA counterparts. Again, this probably was due to the worse economic situation in the post-CETA era.

6. The training period was longer (19.8 weeks) in the post-CETA period than in the pre-CETA period (15.5 weeks).

In sum, the post-CETA trainees were more likely to be male, white, and better-educated than their pre-CETA counterparts, while at the same time they were poorer and less likely to be married or a veteran in the post-CETA era.

Locally-planned and run employment and training programs, it was predicted by the proponents of CETA, would likely be more effective in

improving the labor market experience of the participants. Utilization of the detailed client personal, programmatic, and experience data collected allowed for a series of multivariate regression analyses to test various facets of this hypothesis. The dependent variables in the models approximated "effectiveness" of the program as measured by absolute wages, absolute wage change from pre- to post-program, and the percentage wage change before and after training. The independent variables were selected on the basis of theoretical constructs developed in the extensive manpower program evaluation literature as well as through utilization of ad hoc testing to separate out the spurious influences.

Equations were run for client groups for the post- and pre-CETA period. Space precludes a full discussion of methods and results. The interested reader should refer to the document cited at the beginning of this section.

Overall, the equations for clients in the pre-CETA era showed a better statistical fit, as indicated by very high values (often = .90) for the coefficient of multiple determination (R^2), than did the equations for the post-CETA era ($R^2 = .50$). This does not mean that the pre-CETA programs were more effective in terms of wages demanded after terminations, but rather that the hypothesized "predictors" of outcomes of the programs no longer were as important as they were in the pre-CETA era. Other factors which we were unable to measure had become important. It is possible, that the programs themselves became more important in determining outcomes, although we could not measure differences within program types. This finding was reinforced by the fact that the post-CETA program clients, on average, demanded a higher wage immediately upon termination than did their pre-CETA counterparts, possibly because wages had risen generally with increase in the CPI. Further tests using the absolute and percentage change in wages from the pre- to post-training period showed that programs in the pre- and post-CETA eras "performed" at about the same level in raising the wages that participants could command in the labor market.

Additional tests were conducted to see whether the better predictions of wages in the pre-CETA era were the result of the differences observed in the client characteristics in the two periods. Simulations with post-CETA clients in the pre-CETA equations confirmed the previous conclusions that

there was no significant difference in the effectiveness of the pre- and post-CETA programs, as measured by absolute and percentage wage changes.

A subsequent simulation exercise based on disaggregated data for Lowell and New Bedford indicated some significant pre-CETA and post-CETA comparisons. This disaggregation eliminated the effect of Balance of State data which were available only for the post-CETA period. The simulation showed that in Lowell pre-CETA Title I program participants would have received a greater percentage wage change under CETA programs, and that post-CETA participants would have received a smaller percentage wage change if they had been enrolled in pre-CETA programs. The results in New Bedford were not significant except for one equation. This showed that post-CETA program participants there would have suffered a wage loss of $0.59 per hour under pre-CETA programs as compared with a wage gain of $0.36 they had under post-CETA programs.

The differences are not easily explained, but based on our knowledge of the Lowell findings, in particular, there could have been a better selection of programs suited to the post-CETA labor market, more community commitment to those programs, and possibly some slight difference in client characteristics between the two periods.

D. Minority Perceptions of CETA in Boston

During the initial years of our study, two graduate students studied the perceptions of minority community organizations in Boston on CETA as compared with MDTA funding. Most of the individuals interviewed in three principal minority training and employment organizations agreed that the administration of manpower programs is much less bureaucratic under CETA than the system imposed under MDTA. Too many levels of authority lay between the agency and the Department of Labor under the MDTA, making requests for assistance a time-consuming process. Under CETA, these minority agencies are directly responsible to the Boston Manpower Administration Office, and after a period of adjustment, the administrative contracting mechanism appears to be running more smoothly for Title I funds. On the other hand, City Hall is perceived as being insensitive to the needs of the minority community.

However, with Title I funds reduced in Boston as the suburbs gained, there has been intense competition between minority agencies for funds, and the goal of each is to maintain its share of the funds at all costs. Because performance in placement is a primary determinant of future funding, quantity of placements (for at least one day) is emphasized, rather than quality. At the time of the second study (May 1976), there was no way of measuring the long-run effectiveness of Title placements, and the minority agencies felt that the Title I funds they got will fall far short of meeting the employment problems of Boston's minorities. Yet there were some training programs which were not very effective and somewhat duplicative, so that the final report recommended that the competing minority agencies should specialize within a unified manpower system in which contracts would be awarded for specific training programs to the particular agency best able to operate a program.

Finally, the minority perceptions were critical of the City's administration of PSE funds under Title II and VI, in which less disadvantaged and unemployed white workers seemed to get the jobs even though one of the stated objectives of CETA Title II and VI in Boston was "to hire unemployed and economically disadvantaged residents of the city."

7. SUMMARY AND RECOMMENDATIONS

This study reports on the results of three years of research on the implementation and impact of CETA in eastern Massachusetts, conducted by staff members and graduate students in the Industrial Relations Section, Sloan School of Management at the Massachusetts Institute of Technology, under a research grant from the Office of Research and Development, Employment and Training Administration, U.S. Department of Labor. Apart from the City of Boston, which was studied under a subcontract from the MIT group to the Department of Economics at Northeastern University (the subject of a separate report), the Prime Sponsor consortia studied were: Eastern Middlesex Human Resources Development Administration (EMHRDA, centered in Cambridge); Lowell; New Bedford; and Balance of State (BoS) covering some 18 subgrantees, including the Newton and Quincy areas which we studied. The research approach provided a longitudinal view of CETA in these areas not equalled by shorter case studies.

When qualitative and quantitative data were available, comparisons were made with pre-CETA programs such as MDTA, OEO, and EEA. But the important comparisons proved to be those among Prime Sponsors over the three-year period. Both types of comparisons were subject to external environmental factors, especially the worsening state of the Massachusetts economy relative to the national economy, and the very high rates of unemployment in New Bedford and Lowell, especially, at the peak of the recession in 1974-1975. Structural changes from manufacturing to lower-paid service occupations were characteristic of the Massachusetts economy as well as of Lowell and New Bedford. One consequence was that opportunities for effective job placement, OJT, and outreach were limited, so that CETA programs were forced to become income maintenance efforts rather than instruments for upward mobility. This was especially true when the Title VI (Public Service Employment) funds became the main countercyclical program to provide jobs, dwarfing the original concept of decentralized, decategorized CETA core programs in Titles I and II of the 1973 law.

The Administration of CETA

Administrative difficulties have occurred in most of the Prime Sponsors during the three-year period of study. One exception is Lowell, consistently cited as a "model Prime Sponsor," in which the CETA director who has been in his present and a previous similar position since 1973, has the respect of the city council, the Manpower Planning Council, and the program operators, who are subcontractors. In New Bedford, MPC coordination has been problematic, since the CETA director made many unilateral decisions about programs and priorities and program operators report directly to him. EMHRDA (the Cambridge consortium) has a set of very diverse communities which complicate decision making, reporting responsibilities and authority relationships. The cities and towns are different in industry and population characteristics and each has its own priorities and needs for utilization of CETA money. At the Balance of State (BoS) the central staff must give prior approval to all subcontracts for manpower services let out to 18 subgrantee areas, and must approve almost all staff hiring in them. But the complete administrative and fiscal control of the program operators within the subgrantees are the responsibilities of the chief official in the headquarters city or town of the subgrantee.

The most important responsibility of the Prime Sponsors to the Regional Office of the Employment and Training Administration of the Department of Labor (RDOL) is the submission of a comprehensive manpower plan which can be rejected by the RDOL for a variety of reasons, and the provision of a variety of reports to the regional agency. As might be expected, there is wide variation in the relationship between Prime Sponsors and the RDOL and its field representatives. Some have been strained, as in New Bedford for a period, and others are fairly smooth, as in Lowell. The RDOL rates all Prime Sponsors once a year, leading to some controversy and publicity. Most Prime Sponsors agreed on the necessity and appropriateness of the RDOL review of Title I plans, but considered anything beyond this as meddlesome and unnecessary. Some Prime Sponsor directors and staff resent the presence of the field representative, while others utilize the skills and knowledge of this individual to aid in smoothing administrative and technical problems with the RDOL. The area of federal responsibility is still vague after

three years, and the role is often what the RDOL or appointed field representative decide it to be.

The involvement of elected officials in the process of planning and implementing manpower programs was (and is) one of the express purposes of CETA. Within eastern Massachusetts, the larger the city the less likely the chief elected official will become involved in anything other than basic goals and policies of the CETA program. But it is also true that since the inception of CETA, the elected officials in all-sized cities have become more interested in manpower programs as their involvement became more than an advisory perfunctory role, as it was prior to CETA. The availability of new Title VI Public Service employment funds increased the interests of elected officials who were under fire from property taxpayers as taxes rose and services were cut. Here was an opportunity to get federal funding for maintenance of public services and public employment. The controversy over abuses about "maintenance of effort" regulations raged in Massachusetts as elsewhere in the nation. The situation has been, at least in part, corrected with more strict regulations.

Coordination of other employment and training programs such as vocational education and rehabilitation with those under CETA has yet to come to fruition here. It has proceeded furthest with the Division of Employment Security (the state employment service agency). One problem is that other non-CETA employment and training programs do not share the same planning and service delivery boundaries with the CETA Prime Sponsors, nor is there any commonality in the submission dates for yearly plans. Consequently, coordination is made more difficult.

The Processes of CETA: Planning

The demand for localized manpower planning under CETA, with local Manpower Planning Councils (MPCs), had its roots in the pre-CETA Concentrated Employment Program (CEP) and the Cooperative Area Manpower Planning System (CAMPS). The CETA law specifies that there should be a planning council with broad-based representation, including client groups. In addition, the Prime Sponsor is to provide the MPC with professional, technical, and clerical staff to aid the MPC in review, approval and evaluation functions. But

these are advisory functions; the Prime Sponsor makes the final decisions. In fact, the MPC's are fourth in line of policy advisory bodies, after the RDOL, the Governor, and the State Manpower Services Council. The SMSC and the State Office of Manpower Affairs have used persuasion and technical expertise to induce the Prime Sponsors to use their services, particularly in the development and utilization of data.

Among the Prime Sponsors studied, the attendance at and usefulness of the MPCs varied considerably. At BoS, after a shaky start, the MPC joined the Prime Sponsor staff in surveying the work of the Area Manpower Planning Boards in each of the 18 subgrantees and in drafting guidelines for the AMPBs. But members of the MPC still had complaints, due to their perception of their powerlessness in other respects. In Lowell, by contrast, the CETA director managed in the first year to get the MPC established as a center of policy discussion and review, and he has seldom refused to accept their recommendations. In both Lowell and New Bedford, procedures were set up for sending information to the MPC members prior to the meetings. The average attendance at MPC meetings in each area was about 50 percent, with minority groups (Cape Verdians) attending in New Bedford because of dissatisfaction with attention given to them in the program mix. Attendance at the EMHRDA MPC was only 30 percent, partly because of communication problems with the CETA staff. The staff director of the MPC resigned, and after a new one was appointed, attendance at meetings and the level of discussion improved. But no evaluative services were offered by the MPC, so it appears to have had little effect on the plan.

While it is clear that the MPCs are only an advisory body, they will not be very effective if the decisions and policies they recommend are not listened to by the Prime Sponsors. Many MPC members are connected with or proponents of certain programs and can be expected to speak the loudest when the discussion turns to "their program." Other members are community leaders or experts in the field, and they tend to become frustrated when the process of participating in MPC meetings seems time-consuming and results in few changes in programs and policies. If there is no staff person specifically assigned to and responsible to the MPC, any substitute staff assignment from a Prime Sponsor results in loyalty conflicts.

Planning also involves coordination of labor supply with the demand side of the labor market, through utilization of local labor market information. The major demand side resource here are the DES Job Bank, employer surveys and special projects, but they suffer from a large proportion of low-wage, high turnover jobs which often do not require specialized training. Resources on the supply side include the census, neighborhood surveys, DES data (ESARS) and projections on the number of individuals graduating from various training programs. Each has its own limitations, especially for looking ahead 12-18 months. Several efforts are underway to make improvements in useable data at the local geographical level. The SMSC has appropriately taken the leadership role in addressing the evaluation and data problems, particularly in classroom training across the whole state, to provide the establishment of a corresponding client information data base.

Programmatic Choices Within Prime Sponsors

Prime Sponsors are offered wide programmatic latitude under the CETA law and regulations. This is clearly within the spirit of the law, as it allows Prime Sponsors to adjust their programs to best fit the area needs, in their judgment. But the overall funding levels offered to the Prime Sponsor are determined by a formula set up by the national office of the Department of Labor and they are inflexible.

The funding formula limits reduction in any one area to at least 90 percent of the previous year's allocation -- the so-called "hold harmless" clause. But this takes no account of inflation, so that the allocations to the large cities have been reduced in real terms beyond the "hold harmless amount", to the benefit of the suburban areas. Nowhere has this been seen more clearly than in the contrast between the funds available to the city of Boston, and the more affluent suburbs. For example, the Newton subgrantee area area could not effectively use all Title I funds available. Further, while Boston had a lottery because their applications for unskilled PSE Title VI positions were running 70 to 1, several subgrantee areas within the BoS were advertising in newspapers for CETA PSE applicants!

Data available for each of the Prime Sponsors studied show that in

FY 1976, Boston did benefit from Title VI funds enough to raise their percentage of the five Prime Sponsor total funding from 18 to 21 percent. And the "economic stimulus package" available for FY 1977 (and FY 1978) dramatically increased the Title II funding for FY 19[illegible]. Nonetheless, over the three fiscal years we studied, the proportion of funds allocated to Title I declined, as a result of increased allocation for PSE positions under Titles II and VI, as well as a consequence of the difficulty of placing persons in OJT slots or in jobs after classroom training during the severe recession years. Data available in "universe of need" for FY 1976 for all Prime Sponsors except BoS (this figure has been discontinued in FY 1977 and FY 1978 plans) show that Boston was able to serve only 9.8 percent of its total needs, while EMHRDA was able to serve over 13 percent of its universe of need. The numbers give a strong indication that even with the increased allocation for FY 1977 or FY 1978 the neediest Prime Sponsors are not able to serve as large a percentage of their potential clients as are some of the less needy ones.

Did the Prime Sponsors select the type of programs that best suits the needs of their economic climate and clients? Since the recession hit hardest during FY 1975 and FY 1976, we would expect certain programmatic changes to occur. First, during recession, there would be a greater reliance on classroom training of longer duration in areas expected to expand with recovery, and variations of the PSE programs. Second, there would be a decline in OJT programs as employers stopped hiring, and "other services" might expand.

The Balance of State shows a shift of Title VI funds to Title I (for higher administrative allowances), and to Work Experience as a larger share of Title I funds. In FY 1976, WE slots were shifted to PSE, and by FY 1977, classroom training increased as job openings were forecasted. "Other services" increased steadily. Although BoS still has a heavy reliance on WE (45 percent in FY 1977), Title I programs are shifting with the development and sophistication of subgrantees and the improving economic climate in the state.

EMHRDA also had heavy reliance on WE programs in the first year (FY 1975), but this tapered off in the second and third years. The

emphasis has shifted more to CT and OJT programs. New Bedford shows almost the complete opposite. In FY 1975 there was an almost even split among CT, OJT, and WE, but by FY 1977 the emphasis shifted heavily to WE and "other services." This is curious, as the economic climate has improved over this period and the planning and special forecasting done for this consortium would have suggested greater reliance on CT and OJT. Lowell has shown an ability to adjust its program emphasis in response to MPC and community recommendations. There was a drop in CT and an increase in OJT in FY 1976, but FY 1977 brought back emphasis on CT because of lack of additional slots for OJT programs. Further, Lowell reduced its original 21 percent WE to 13 percent by FY 1977.

Boston has retained its heavy emphasis on classroom training and other supportive services. It has not followed other Prime Sponsors in their heavy reliance on WE and PSE, and it has shown a small proportion of funds expended for OJT programs. Established program operators as well as a well-developed social service network are the major forces behind the very slow change in Boston.

Finally, the program mix under Title I in the eastern Massachusetts Prime Sponsors are not so different from those for the nation as a whole, as reported for FY 1975. The Balance of State Prime Sponsors across the country relied on the average more on work experience programs and less on classroom training and OJT than did their city and consortium counterparts. Unfortunately, we do not have national data for FY 1976 and FY 1977. In our study, it is fair to say that the Prime Sponsors did not stay with the program mix of the previous year. They did change emphasis, sometimes because of better administration and time to adjust, and sometimes because of real or perceived labor maket changes or changes in client's needs. Also some of the adjusting and shifting of funds did result from differing rules regarding clients and administrative funds, rather than because of issues of substance within the programs and their goals.

Prime Sponsor Performance and Clients

The RDOL, taking its Congressionally-mandated monitoring role seriously, has constructed a series of short-term performance indicators and other

data collection forms. These must be quantitatively-oriented for reporting and aggregation purposes. At the same time the "looseness" of the definitions of "disadvantaged" and other target groups, coupled with extenuating environmental circumstances, has led to conflict and confusion with the Prime Sponsors.

The performance indicators themselves have limitations. "Cost per placement" cannot appropriately be compared across Prime Sponsors, as one may have been "creaming" clients and another serving the most disadvantaged. In addition, the same "cost per placement" figure tells nothing about the length of time the "placed" person remained on the job, nor does it offer any hint of the fate of fellow program participants who were not placed. These suggest that this type of performance indicator should be used only as a "flag" to point to areas where attention might be needed, and not offered as evidence of a good or poor program. Following a DOL field memorandum in February 1977 on this question, work has begun in Region 1 to develop a new set of indicators which will allow for more reliable, meaningful and comparable statistics. These are not yet full developed and operational.

Data on client characteristics in the Prime Sponsors are better. They show that there were very few instances of extreme changes in the client groups serviced over the three-year period in any of the Prime Sponsors. Over the period the BoS has increased its emphasis on the disadvantaged in all CETA Titles, and the same is true for EMHRDA. Lowell has had a very large decline in its percentage of disadvantaged in Title I programs and an equally dramatic increase for Title II. New Bedford has the same pattern. EMHRDA remained the most consistent over the period. From what we know, it is difficult to discern whether the observed changes in percentages served are the result of difinitional changes, improvement in the economic climate over the period, or policy changes.

Comparisons with national Prime Sponsors data for FY 1976 show that Massachusetts Prime Sponsors show a greater concentration of "disadvantaged" than in the nation, and that those with a higher percentage of minorities in the population are serving these groups better, compared with the nation as a whole.

Our study of minority agency perceptions of CETA in Boston put a slightly different perspective on this last general conclusion. With Title I CETA funds in the city relatively lower because the suburban ring has gained relatively, the principal minority agencies are scrambling for their relative shares of fewer dollars, and they feel that their needs are far from being met. While the administrative contracting mechanism with the city's Manpower Administration office is seen as simpler than going through several layers to the DOL under MDTA, these agencies also feel that minorities are not getting their fair share of the much larger funds for PSE under Titles II and VI.

Pre-CETA and Post-CETA Participants

A separate data collection for Title I types of training program participants before and after CETA was made in Lowell, New Bedford, and Brockton, a recent Prime Sponsor after breaking away as a BoS subgrantee. In addition, utilization of the BoS Management Information System provided BoS post-CETA data on Title I participants. Data were collected for all program participants for whom data were available; no sampling was attempted. One measure of the effectiveness of pre-CETA as compared with post-CETA programs was developed from three sets of data for all individuals: (1) post-training hourly wage, (2) the absolute wage difference between the last pre-training wage and the first post-training hourly wage, and (3) the percentage difference between the pre and post-training hourly wages.

Despite a number of difficulties with such comparisons, we found that the post-CETA hourly wage changes were greater percentagewise than those in the pre-CETA period. The programs in both periods were more effective for those with 1-10 years of work experience; the younger and older participants showed the smallest percentage change in wages after the training programs. OJT programs resulted in the highest percentage wage increases both before and after CETA.

Differences in client characteristics between the two periods also statistically analyzed. Compared with post-CETA programs, pre-CETA programs enrolled a higher proportion of women and non-whites (partially due to the inclusion of BoS which has less than 2 percent non-whites), had

one-year lower average educational levels and enrolled more veterans and married persons. But post-CETA programs enrolled more economically-disadvantaged persons, welfare and unemployment insurance recipients, and more low-income persons. Post-CETA clients had also undergone a considerably longer period of unemployment, probably due to the worsened economic situation in the post-CETA period. The training period in post-CETA was longer (19.8 weeks) than in the pre-CETA period (15.5 weeks).

Further statistical simulations and tests indicated that using the absolute and percentage change in wages from the pre-CETA to post-CETA period, the programs "performed" at about the same level in the two periods in raising the wages that participants would secure in jobs. Client differences between these two periods, as mentioned earlier, appeared to have no statistical effect in raising absolute wage levels, nor did they explain the larger percentage differences in wage increases in the post-CETA period.

A further analysis of disaggregated data for each period for two of the separate Prime Sponsors, Lowell and New Bedford, was made. This eliminated also the possible spurious result of the aggregate analysis which included BoS only for the post-CETA period. The simulated results for Lowell showed that the pre-CETA participants would have performed better in wages gains under CETA programs, and conversely, that the post-CETA participants would have performed more poorly under pre-CETA programs. The New Bedford regressions and simulations were less clear-cut than at Lowell. Only one equation fits well, and when the stimulation was run it showed that the wage changes for post-CETA participants in the pre-CETA programs would have been a loss of almost $0.59 per hour, as opposed to the $0.36 per hour gain they actually experienced under the Post-CETA programs.

Recommendations

At various points in this report, we have noted some recommendations which seemed to us to emerge from the three-year study of Prime Sponsors in eastern Massachusetts, including their relationship with the state and the RDOL. They are numbered for reference and emphasis.

1. The yearly rating of Prime Sponsors by the RDOL as "satisfactory," "marginal," or "unsatisfactory" for various reasons is often disputed by

Prime Sponsors, gets reported in the media, and seems of little valid use, unless the RDOL can de-designate a Prime Sponsor or apply some other sanction. If the scheme is retained, the initial investigation should be quantitative, with an on-site followup to make sure that the rating reflects the real performance of the Prime Sponsor and not only some situation which could not have been prevented by Prime Sponsor action.

2. More explicit guidelines should be established on exactly what the federal role is in law, and how that responsibility can be carried out. The present division of responsibility is not clear-cut, and sometimes seems to be what the RDOL or its Field Representative feel they have.

3. Careful selection and training of the Field Representatives is needed. They are crucial links between the Regional Federal and local Prime Sponsor levels. Experience in eastern Massachusetts indicates that several have been the cause of trouble in the Prime Sponsors rather than providing assistance in dealing with federal-local problems.

4. Congress and the Department of Labor should consider separating the PSE programs from the Title I programs operated under CETA. The vast majority of controversies surround the use of PSE funds locally. This might be reduced or eliminated if the RDOL ran the programs for the region, or they maintained a regular countercyclical PSE revenue sharing hands off policy. Some monitoring might be done by a regional official.

5. Attention must be given to consolidating and/or eliminating some of the paperwork that is required of Prime Sponsors. Without exception, all of the FRs, RDOL staff, and Prime Sponsor personnel agree that the reporting requirements are excessive. Given the experience and acknowledged expertise of the RDOL auditing staff, many of the reports required could be incorporated into the regular audit, thereby easing the burden on both the RDOL and Prime Sponsor staffs.

6. There is also need for definitional clarification of target groups and "disadvantaged persons," as well as standardized definitions of program accomplishments and placements. For example, the BoS monitors its subgrantees for enrollments and expenditures, while the RDOL is looking for such information as cost of entering employment or cost of indirect placement, etc. While it is fair to say that over the three-year period some

progress has been made in stabilizing the RDOL-Prime Sponsor relationship and duties, the achievement of a constructive partnership is a long way off unless some definitional and policy changes discussed above are made.

7. The local Manpower Planning Councils are not totally effective bodies for making local input into the expenditure of CETA funds. Among the changes which should be considered are (a) making MPCs financially independent with a portion of Title I money in order to hire their own staff and clerical help, (b) expanding RDOL training sessions for MPC members with possible financial incentives for attending on their own time (c) requiring an MPC report on the overall plan (with minority reports, if necessary) prior to submission of the plan to the RDOL, and (4) consider changing the regulations to allow MPCs veto power over the overall plan, in order to provide a check consistent with the spirit of the CETA legislation on whether the programs and policies are really responding to the needs of the local area as perceived by a broad-based MPC.

8. Labor market information needs to be collected for the use of present Prime Sponsors in their own geographical boundaries, particular about employers and job openings in those areas. Without such data, the Prime Sponsors must rely on wider labor market information which is of little use in their program planning and development.

9. The present funding formula which benefits the suburban areas of large cities, especially Boston, has raised serious questions about equity as it affects adversely the central-city disadvantaged, poor, and minorities; often the minorities are characterized by being disadvantaged and poor also. Standardized indexes of the "universe of need" and its component parts should be developed, and experimentation conducted on the impact of different formulae on the ability of a Prime Sponsor to penetrate the long queue of those who could benefit from its programs and services.

10. The limitations of the quantitative performance indicators used in the past by the RDOL to rate each Prime Sponsor for each fiscal quarter indicates the necessity to standardize and simplify these indicators. They can be valuable to "flag" areas where attention is needed in a particular Prime Sponsor, but should not be used to evaluate the effectiveness of either client services or program management. We support the effort by the

RDOL to develop a new set of indicators which will allow for more reliable, meaningful, and comparable statistics.

11. Title I and Title II funds should be spent on programs exclusively for the disadvantaged; there is no good reason why less than 100 percent of such funds should not be so spent, but lesser percentages are found in the reports. The eligibility requirements for recipients of Title VI Public Service Employment are much broader than for Titles I and II, and PSE funds may well be administered separately as we indicated in No. 4 above.